



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9654 6672

Mr Clive Haggar
Branch Secretary
Australian Education Union
ACT Branch
PO Box 3042
MANUKA ACT 2603

Dear Mr Haggar,

**Re: Australian Education Union - Australian Capital Territory Branch
s237 notification of particulars of loans, grants and donations - FR2004/749**

I refer to your statement lodged in accordance with subsection 237(1) of Schedule 1B of the *Workplace Relations Act 1996*. The statement notifies particulars in relation to loans and donations in excess of \$1,000 made by the abovenamed branch during the financial year ended 31 December 2004. It was received in the Registry on 8 February 2005.

The contents of the statement have been noted.

Under subsection 237(4) of Schedule 1B, such a statement may only be inspected at the Registry by a member of the organisation concerned. Accordingly, the statement will be maintained on a Registry file that is not available for viewing by the general public.

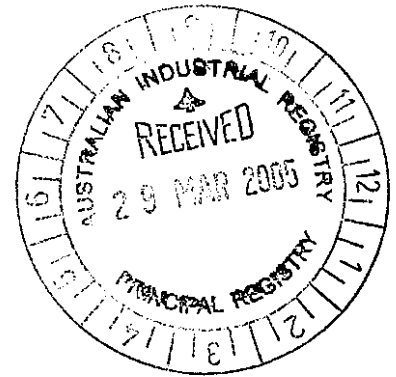
Please note that section 269 of the *Workplace Relations Act 1996* has been repealed. The particulars formerly required to be notified under that section are now required to be lodged pursuant to section 237 of Schedule 1B (the RAO Schedule).

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Ruth Hansen'.

Ruth Hansen
Statutory Services Branch

9 March 2005



File Reference: B47

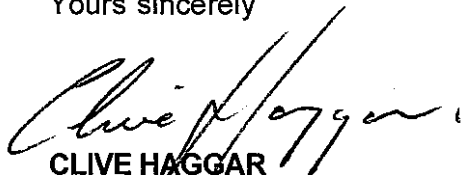
Mr Ken Ophel
Team Leader - Australian Industrial Relations Commission
Level 36, Nauru House
80 Collins Street
MELBOURNE VIC 3000

Dear Ken

**Australian Education Union - ACT Branch
Financial Return – Year Ending 31 December 2004**

I enclose a copy of the Auditor's Report, Accounts and Statements for the period ending 31 December 2004 in addition to all documents required under the Workplace Relations Act 1996.

Yours sincerely


CLIVE HAGGAR
Secretary

18 March 2005

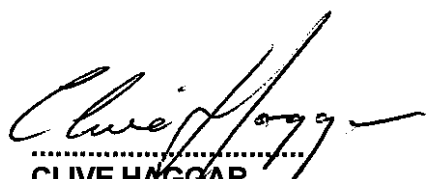
Attachments

**CERTIFICATE OF SECRETARY
OR OTHER AUTHORISED OFFICER**
[s268 of Schedule 1B *Workplace Relations Act 1996*]

I, Clive Haggar, being the Secretary of the Australian Education Union – ACT Branch certify:

- That the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- That the full report was provided to members on 18 February 2005; and
- That the full report was presented to a meeting of the Committee of Management of the reporting unit on 16 March 2005; in accordance with section 266 of the RAO Schedule.

Signed:


.....
CLIVE HAGGAR
Branch Secretary

Date: 18 March 2005

OPERATING REPORT 2004

This report is prepared in accordance with the requirements of Schedule 1B of the Workplace Relations Act 1996, section 254.

Secretary's Overview 2004:

2004 will be recognised in the history of the ACT Branch of the AEU as one of the most significant for public education, the Union and the profession.

A sense of frenetic activity existed in the Union and in the system for much of the year. This was caused by the successful campaign for and Enterprise Bargaining Agreement, a Territory and a Federal Election, political brawls over funding, a new Education Act, massive recruitment of new members, historic salary and conditions' improvements, significant generational change in the workforce, new promotions positions and the loss [twice] of a Department CEO.

The 10 May Stopwork meeting at the National Convention Centre was the largest gathering of members in our history. Three thousand members met with a sense of unity and determination before marching on the ACT Legislative Assembly to demand salaries competitive with our NSW colleagues. The subsequent rolling stoppages and rallies further demonstrated our commitment and ultimately led to the most comprehensive set of improvements in salaries and conditions in the history of the teaching service in the ACT.

While Officers negotiated the final outcomes over 100 formal meetings with the employer in 2003-04, the fact that we could count on the support of the vast majority of the workforce meant that the ACT Government had to recognise the legitimacy of our claims, especially in the face of the community support we were able to generate.

The \$110 million salary and conditions settlement has made the ACT public education system much more competitive as we face growing teacher shortages in Australia.

When the EBA is added to the other additional funds applied to public education by the Stanhope Labor Government over the last three years [the "free" bus \$27 million as well as the K-3 class size reductions] and other targeted budget programs, members should recognise that because of the AEU's campaigning the ACT public school system has enjoyed the largest real funding increases since the establishment of a separate ACT public education system!

We welcome the re-election of the Stanhope Government on a positive platform of initiatives including increased preschool hours, high school programs and increased staff, student health programs, improved programs for Indigenous students and students with disabilities, the expansion of programs for disadvantaged students and students at risk, increased funds for improved physical infrastructure and information technology. These measures are worth at least a further \$12 million per annum to public schools, while CIT has benefited from over \$4 million per annum in increased support. The great majority of the improvements being put in place are a testament to the efforts of the AEU in lobbying and campaigning over the last three years.

It is worth noting that the Government was re-elected in the face of a divisive and dishonest campaign orchestrated by the Catholic Education Commission and the private school parent association APFACTS. This campaign sought to increase private school funding from the ACT Government by 30% irrespective of student need. Paid advertising, lectures from the pulpit, the launch of the campaign by religious leaders, school newsletters, push polling etc were all devices used in the failed attempt to win funding increases to which there was no entitlement. Minister Katy Gallagher deserves congratulations for her advocacy for the public education system and its priorities in the face of the political pressure from the private sector

The ACT Branch and ACT Council of Parents & Citizens Associations countered this campaign, supported as it was by the Canberra Liberals, with detailed research on the funding issues, which was widely publicised in the media and in public forums.

The election campaign platform of the Canberra Liberals was handicapped not only by their biased funding proposals, but also by their support for "principal hire and fire" of school staff which would have led to the end of any notion of a career teaching service. They were also handicapped by their reiteration of Prime Minister John Howard's "values" assault on public education.

This assault began with the Prime Minister announcing to the nation in January his concern that public schools were "too politically correct" and "values free". It coincided with the launch of the AEU's media campaign highlighting the unfair SES funding of the Federal Government. In the lead up to the Federal Election the AEU nationally spent nearly \$2 million to keep the political focus on the needs of public education. ACT members' funds contributed to this national campaign. The ALP's election platform on education was one policy area where a clear distinction in its favour was registered by the community.

The ACT Branch has also participated in the national lobbying effort by being a part of the delegation to the Federal Parliament in June and representing the Branch in discussions with the Interim Chair of the National Institute of Quality Teaching [NIQTSL], in attempts to make the new federal body more inclusive. From the National Campaign planning of the Federal Conference in Hobart in January through the meetings of the National Executive, the AEU demonstrated a professional national campaign to get our message out.

With the return of the Howard Government and their likely control of the Senate, we now face a Federal Government which is demonstrably hostile to public education and the AEU. Federal funding, massively warped in favour of private schooling, is to be used to bludgeon and/or bypass State and Territory Governments over a range of Federal educational agendas around testing, reporting, values [billboards and flag poles] together with an increasing hostile industrial relations agenda including performance pay, individual contracts [AWAs], weakening of the Industrial Relations Commission, etc.

These issues will have to be addressed by the AEU and members in 2005.

For TAFE a privatisation agenda hostile to the State and Territory systems is reinforced by the abolition of ANTA, the enhanced role of business in the training area at the exclusion of unions and State Governments, and the creation of trade based Year 11 and 12 colleges.

However, there will be some positives for public schooling such as the allocation of \$700 million to "school councils" for infrastructure improvements which, if allocated sensibly, will see some real improvements for schools.

The absolute necessity for the public education system to be assertive with Government and in the community was reinforced during 2004 as never before. Public Education Works continued to provide the vehicle that allowed members to highlight needs and to celebrate their achievements through events such as on Public Education Day, and. Public performances, campaign material, publications, posters, billboards, stickers etc continue to reiterate our message that Public Education Works!

Speaking at the Public Education Day dinner and at the CIT's lunchtime Public Education Day address, commentator Phillip Adams and Federal President Pat Byrne emphasised the value of the profession and public education to the Australian community. Public performances of students' work and the consequent positive publicity at a time of industrial action was an important part of building public support for our claims. Public Education Day 2005 will be on Thursday 19 May and the keynote address will be from Clive Hamilton, Director of the Australia Institute and a noted social commentator. All workplaces should make an attempt to participate on the day.

Lobbying politicians remains a vital part of our activity and in 2004 meetings were held on a monthly basis with the Education Minister Katy Gallagher. The AEU also met on several occasions with Shadow Education Spokesperson Liberal MLA Steve Pratt, Greens MLA Kerrie Tucker and Australian Democrat MLA Roslyn Dundas. Submissions and presentations

to the Legislative Assembly [detailed in Assistant to the Secretary [Professional] Robin Ballantyne's report], formed an important part of our campaign work to highlight our concerns and issues.

The loss of both Kerrie Tucker [resignation] and Roslyn Dundas [defeated] from the Assembly is a disappointment given their articulate support for the public education system.

Professional issues remained a significant focus for our work throughout the year with a particular highlight being the Joint AEU/ACE Seminar on the Future of the Teaching Profession in April. In addition, Officers represented members on a plethora of committees set up by DEYFS and DET to manage the professional directions for the system, including the allocation of the \$1m Professional Learning Fund, the Fellowship Scheme and the Principals' Learning Fund. Professional issues were an important aspect of discussions with principal, deputy and executive teacher member associations.

The AEU is also supportive of the new peak principal professional association body established late this year. Principal members played an important part in supporting the EBA campaign by assisting the AEU Officers in keeping members informed and by their own associations' lobbying efforts of the Minister and DET officials. The ACT Branch was represented on the AEU's National Principals' Committee by President Jan Day and Principals Tanya Nelipa and Sue French.

The Branch also continued its close working relationship with the ACT Council of Parents & Citizens Associations, particularly its President Ian Morgan and Vice President Trevor Cobbold, who was the researcher employed to develop the joint funding publications used to counter the private sector claims for funding increases. Joint media releases and press conferences ensured that public education perspectives received regular coverage in the Canberra media.

The Department and members suffered from the disruption caused by the suspension, return and then departure of long serving CEO Fran Hinton. As an experienced senior administrator and educator Ms Hinton had a significant personal impact on the day to day running of the ACT system, as well as its strategic planning. The loss of her distinctive hands-on style and the departure of other senior members of the bureaucracy meant that 2004 suffered from disrupted leadership and planning at a time when the system was involved in the EBA campaign, a restructure, and major educational initiatives such as the Curriculum Review. Until a new substantive CEO is appointed the system will continue to experience the difficulties that have been experienced this year.

On behalf of members the ACT Branch reinforced its support for human rights in practical terms in 2004 by donating \$5,000 to the AEU's International Trust Fund, \$3,000 to APHEDA [the Australian Trade Union's Overseas Aid Fund] and locally \$1,000 to Barnardos and \$1,000 to the Stewart House Foundation [for disadvantaged students]. Many members contribute financially to Stewart House and APHEDA individually by subscription and support other significant causes like the fund for the teachers killed in the terrorist incident in Beslan.

At the national level, the major TAFE activity of lobbying Federal parliamentarians in support of TAFE was strongly supported by ACT members. The ACT Branch was visited by Federal Officers during the year and was kept in close touch with national developments through national meetings of the Federal Executive, Industrial, Research, Training, Women's and TAFE Officers.

Members continued to receive the national journals, The Australian Educator and the Australian TAFE Teacher, which supplemented the more local perspectives in The ACT Teacher. The ACT Teacher introduced more colour in 2004; this has made it visually more attractive as well as an informative communication device. 2005 will see significant changes to the format of The ACT Teacher. ACT Branch interaction with members was supported by enhanced use of the email system and the ACT Branch website to communicate with members.

Legal defence of members was significant this year; the ACTLAW Agreement with Pamela Coward & Associates continued to provide an excellent service for members. Large numbers of members used the legal firm for general legal matters including Comcare, transfer, superannuation, grievance and harassment issues, as well as basic services of will preparation, family law and conveyancing. The Branch Executive has renewed the ACTLAW Agreement for 2005. Outside of the ACTLAW Agreement, the Union office has been active advising members facing potential or actual disciplinary and criminal charges.

It is important to recognise those many members who have undertaken representative roles, whether on Executive, Council, Committees, UnionsACT, Boards, in the workplace etc. All deserve our thanks for their commitment and effort on behalf of members and public education. We all rely on their efforts, supported by the work of the AEU office.

Retiring President Jan Day is being recognised for her leadership contribution over many years as Honorary President, Vice President, Federal Conference Delegate and Executive member with her nomination for Life Membership of the AEU. This award will be made in January 2005 at the AEU Federal Conference in Perth.

Financially, the AEU - ACT Branch remains in a strong position and is on track to produce a small surplus for 2004 and 2005. This is the result in part of the growth in membership numbers, securing a favourable mortgage arrangement with the AEU Federal Office, a secure tenancy for the rented unit at 40 Brisbane Avenue and a settlement on the EBA. Over the next two years it is intended to significantly reduce the Union's mortgage and pay out equipment leases.

Finally, I would like to record my own appreciation of the support I have received from Officers, Staff, Executive, Council and other members through 2004 and to particularly recognise the commitment and effort of the Officers and Staff in the ACT Branch office who have made the AEU - ACT Branch the successful organisation it has been in 2004.

In addition to the Secretary's Overview and the financial statements [attached] as reported, the ACT Branch is required by the legislation to detail the Resignation Rules of the organisation.

In accordance with Federal Government legislation, a member's notice of resignation takes effect:

[a] if you are ceasing to be a teacher in the ACT Government sector entirely, from no earlier than the date you leave.

[b] in any other case [ie you are remaining a teacher in the ACT Government sector], no earlier than two weeks after you have notified the Union.

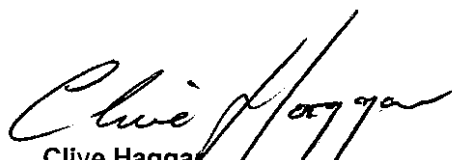
All notices of resignation must be in writing, specify the precise date of resignation and be delivered to the AEU - ACT Branch Secretary.

No Officers of the ACT Branch holds positions designated under section 254[2d].

The list of Executive Members [Committee of Management] is attached.

The AEU - ACT Branch had 3374 financial members at 31 December 2004; 1 full time officer and 10 other employees

The full Annual Report and Financial Report for 2004 are available on the ACT Branch website.


Clive Haggan
Branch Secretary

Dated: 15 February 2005

Australian Education Union – ACT Branch

BRANCH EXECUTIVE MEMBERS

[Committee of Management]

Officer	Position	Occupation	Workplace Address
C Haggar	Secretary	Union Official	AEU – ACT Branch 40 Brisbane Avenue Barton 2600
A Zuffo	President	Teacher	Southern Cross Primary Wirraway Crescent Scullin 2614
J Harris	Vice President	TAFE Teacher	CIT – Reid Campus GPO Box 826 Canberra City 2601
S French	Vice President	Teacher	Kaleen High Balwin Drive Kaleen 2617
P Rasmus	Vice President	Teacher	38 Murraraji Street Hawker 2614
R Amey	General Member	Teacher	Dickson College Phillip Avenue Dickson 2602
F Dawning	General Member	Teacher	Cook Primary Templeton Street Cook 2614
R Humphreys	General Member	Teacher	Copland College Copland Drive Melba 2615
M Riley	General Member	Teacher	Melrose Counselling Centre, Marr Street Pearce 2607
W Wurfel	General Member	Teacher	Palmerston District School Kosciusko Avenue Palmerston 2913
M Fitzgerald	TAFE Rep	TAFE Teacher	CIT – Weston Campus GPO Box 826 Canberra City 2601
M Holmes	TAFE Alternate Rep	TAFE Teacher	CIT – Bruce Campus GPO Box 826 Canberra City 2601
C Coleman	Preschool Rep	Preschool Teacher	Charles Conder Preschool Tom Roberts Avenue Conder 2905
K Keats	Preschool Alternate Rep	Preschool Teacher	Indigenous Education Unit c/- Mawson Primary Ainsworth Street Mawson 2607

**AUSTRALIAN EDUCATION UNION
ACT BRANCH**

*General Purpose Financial Report
For The Year Ended 31st December, 2004*

Houston & Hanna
Chartered Accountants
15/11 McKay Gardens
TURNER ACT 2601

Phone: 02-62498515 Fax: 02-62496792
Email: khanna@webone.com.au

AUSTRALIAN EDUCATION UNION - ACT BRANCH

COMMITTEE OF MANAGEMENT STATEMENT

On 15/02/2005 the Committee of Management of Australian Education Union - ACT Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2004.

The Committee of management declares in relation to the GPFR 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 Industrial Registrar.
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cashflows of the reporting unit for the financial year to which they relate;
- (d) 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;
- (e) during the financial year to which GPFR related 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 reporting unit 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 reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) reports done on a single reporting unit basis; and
 - (v) there has been no requests by any member or the Registrar that required a report under Section 272 of the RAO Schedule.
 - (vi) no orders have been made by the Commission under section 273 of the RAO Schedule during the period.

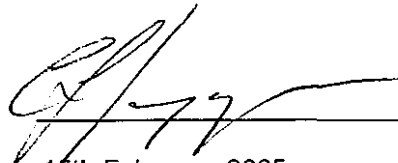
For Committee of management:

Clive Haggar

Title of Office held:

Branch Secretary

Signature:



Date:

15th February, 2005

AUSTRALIAN EDUCATION UNION - ACT BRANCH

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2004

2003	INCOME	2004
\$		\$
1,273,206	Members subscriptions	1,454,456
(24,794)	Less collection costs	(31,484)
6,974	Interest on investments	8,260
1,127	Other income	3,677
30,000	Rent received	33,150
2,247	Advertising receipts	1,687
56,487	Distribution TLC income trust	125,122
<u>1,345,247</u>	TOTAL INCOME	<u>1,594,867</u>
18,957	Affiliation fees & I.T.F. Subscriptions	21,969
15,900	Amortisation - leasehold buildings	15,900
40,960	Arbitration & campaign expenses	58,956
3,250	Audit & Accounting Costs	3,500
6,881	Bank fees	7,099
2,760	Bad Debts & Provision for Doubtfull Debts	-
3,725	Cleaning	4,788
16,221	Computer Services & Data base Costs	20,601
8,082	Depreciation	8,836
11,210	Donations - general	5,227
56,487	Donation - ACT TLC	125,122
1,976	Electricity	2,274
15,306	Meeting & conference expenses	15,637
14,044	Membership services & Training	13,695
73,909	Federal capitation fees	80,645
20,003	Newsletter Expenses	30,133
24,173	Insurance	23,959
12,402	Interest	9,522
22,247	Office equipment & Leases	27,528
44,928	Legal - annual retainer	44,928
19,944	Legal - member's	1,751
2,970	Legislation reports & awards	2,119
4,297	Photocopying charges	4,071
20,222	Postage, freight & general expenses	19,563
20,784	Printing & stationery (Inc. Hand Books)	17,559
10,082	Professional development & training	5,950
10,965	Provision for annual leave	25,821
6,304	Provision for long service leave	19,125
20,258	Rates, taxes and body corporate fees	25,299
5,775	Repairs, maintenance & replacements	4,350
83,150	Salaries - officers	106,839
564,410	Salaries - other employees	645,944
85,608	Superannuation -general staff	84,516
13,645	- officers	17,532
17,607	Telephone & internet costs	18,943
4,452	Travel	4,704
19,122	Vehicle expenses (including FBT)	23,698
9,450	Vehicle depreciation	7,322
5,892	Women's Budget	3,936
<u>1,338,358</u>	TOTAL EXPENSES	<u>1,559,361</u>
<u>6,889</u>	Operating surplus for year	<u>35,507</u>

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS

AUSTRALIAN EDUCATION UNION - ACT BRANCH

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2004

2003		NOTES	2004
\$			\$
	CURRENT ASSETS		
40,261	Cash at Bank		115,515
214,370	Cash on Deposit		225,914
35,173	Sundry Debtors and Prepayments		10,996
27,560	Members Subscriptions in Arrears		3,910
11,760	Members Welfare Loans	5	15,170
(6,760)	Less: Provision for Doubtful Debts		(6,760)
322,364	TOTAL CURRENT ASSETS		364,745
	NON CURRENT ASSETS		
809,756	Leasehold Property, Plant & Equipment	3	804,103
1,132,120	TOTAL ASSETS		1,168,848
	LESS CURRENT LIABILITIES		
39,632	Sundry Creditors		56,224
30,000	Borrowings		39,000
67,651	Provision for Staff Entitlements - general staff	6	100,672
56,930	-officers	6	61,197
21,348	Subscriptions Paid in Advance		32,726
215,561	TOTAL CURRENT LIABILITIES		289,819
	NON - CURRENT LIABILITIES		
5,000	Rent Deposit held		5,000
158,000	Borrowings		77,304
14,047	Provision for Staff Entitlements	6	21,705
177,047	TOTAL NON-CURRENT LIABILITIES		104,009
392,608	TOTAL LIABILITIES		393,828
739,512	NET ASSETS		775,019
	Represented By:		
	Members Funds		
732,623	Balance as at 1 January 2004		739,512
6,889	ADD - Surplus/(Deficit) for Year		35,507
739,512	Balance as at 31 December 2004		775,019

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS

AUSTRALIAN EDUCATION UNION - ACT BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

NOTE 2 - INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996, as amended, the attention of members is drawn to the provisions of Section 272 of Schedule 1B, which indicates as follows:

- (1) A member of a branch, or a Registrar, 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) The reporting unit must comply with an application made under subsection (1).

Civil penalty provision applies for non compliance.

NOTE 3 - LEASEHOLD PROPERTY, PLANT & EQUIPMENT

2003 Written Down Value \$		Cost \$	Accumulated Depreciation \$	2004 Written Down Value \$
759,165	Leasehold land & buildings	936,015	192,750	743,265
10,567	Furniture & fittings	88,692	82,335	6,357
7,187	Office equipment	210,305	181,339	28,966
32,837	Motor vehicles	98,636	73,121	25,515
<u>809,756</u>	Total written down value	<u>1,333,648</u>	<u>529,545</u>	<u>804,103</u>

NOTE 4 - CASH FLOW INFORMATION

(a) Reconciliation of Cash	2004 \$	2003 \$
Cash on hand	300	300
Cash at bank	115,515	40,261
Cash on deposit	225,614	214,070
	<u>341,429</u>	<u>254,631</u>

AUSTRALIAN EDUCATION UNION - ACT BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2004**

NOTE 4 - CASH FLOW INFORMATION (continued)

(b) Reconciliation of Cash Flows from Operations	2004	2003
	\$	\$
Operating surplus/(deficit)	35,507	6,889
Add Back Non-Cash Items		
Amortisation	15,900	15,900
Depreciation	16,158	17,532
Increase/(decrease) in provisions	44,946	20,029
Total Non-Cash Items	<u>112,511</u>	<u>60,350</u>
Changes in Assets & Liabilities		
Decrease in Debtors, Prepayments & Members Loans	44,418	(1,408)
Increase in Creditors, including Subs in Advance	32,971	(14,012)
Cash Flows from Operations	<u><u>189,899</u></u>	<u><u>44,930</u></u>

NOTE 5 - TEACHER WELFARE FUND

Summary of Transactions in the Teacher Welfare Fund

Balance of loans outstanding 1 January 2004	11,760	12,710
Loans made during the year	7,500	1,500
	<u>19,260</u>	<u>14,210</u>
Less: Loan repayments received	(4,090)	(2,450)
Loans written off	-	-
Balance of loans outstanding 31 December 2004	<u><u>15,170</u></u>	<u><u>11,760</u></u>

NOTE 6 - PROVISION FOR STAFF LEAVE ENTITLEMENTS

Current Liabilities

General Staff

Provision for Annual Leave	66,621	47,542
Provision for Long Service Leave	34,051	20,109
	<u>100,672</u>	<u>67,651</u>

Officer Holder

Provision for Annual Leave	20,665	13,923
Provision for Long Service Leave	40,532	43,007
	<u>61,197</u>	<u>56,930</u>

Non Current Liability

Provision for Long Service Leave	<u>21,705</u>	<u>14,047</u>
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NOTE 7 - TLC Income & Donation

During the year the branch paid a donation to the TLC - ACT which was fully funded by income from a property trust fund associated with the operations of the TLC - ACT.

AUSTRALIAN EDUCATION UNION - ACT BRANCH

AUDITOR'S REPORT

I have audited the accounts of the Australian Education Union, ACT Branch in respect of the year ended 31 December 2004 and have received all the information and explanations I required for the purposes of my audit.

Scope

The Executive Committee is responsible for the preparation and presentation of the financial reports and the information contained therein. I have conducted an independent audit of the financial reports in order to express an opinion on them to the members.

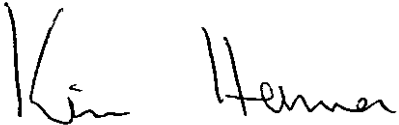
My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the accounts are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the accounts, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the accounts are presented fairly in accordance with Australian Accounting Standards and Statutory Requirements so as to present a view of the Australian Education Union, ACT Branch which is consistent with my understanding of its financial position and the results of its operations.

The audit opinion expressed in this report has been formed on the above basis.

In my opinion:

- (i) there were kept by the Organisation in respect of the year satisfactory accounting records detailing the sources and nature of the income of the Organisation (including income from members) and the nature and purpose of expenditure; and
- (ii) the attached report, prepared under the historical cost convention, and in accordance with Section 253 of the RAO Schedule of the Workplace Relations Act 1996 (the Act), as amended, are properly drawn up so as to give a true and fair view of:
 - (a) the financial affairs of the Organisation as at 31 December 2004; and
 - (b) the income and expenditure and surplus/deficit of the Organisation for the year ended on that date.
- (iii) the attached report are in accordance with the Australian Accounting Standards and other reporting requirements under the Act.
- (iv) that the branch has not been involved with recovery of wages activities during the year.

Suite 15 George Turner Offices
11 McKay Gardens
TURNER ACT 2601


.....
Kim D Hanna FCA
Registered Company Auditor
Date 18/2/05

AUSTRALIAN EDUCATION UNION - ACT BRANCH

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2004

2003		2004
\$		\$
	CASH FLOW FROM OPERATING ACTIVITIES	
1,248,412	Receipts from Members	1,427,070
6,974	Interest received	8,260
89,861	Receipts - other persons	163,636
<u>(1,300,317)</u>	Payments to suppliers & employees	<u>(1,409,066)</u>
44,930	NET CASH PROVIDED BY OPERATIONS (Note 4(b))	<u>189,899</u>
	CASH FLOW FROM INVESTING & FINANCING ACTIVITIES	
5,000	Deposit from Tenant	-
(25,477)	Loan Repayments	(76,696)
(293)	Payments for Assets	(26,405)
<u>(20,770)</u>	NET CASH PROVIDED BY INVESTING & FINANCING	<u>(103,101)</u>
24,160	NET INCREASE/(DECREASE) IN CASH HELD	86,798
230,471	Cash at beginning of year	254,631
<u><u>254,631</u></u>	CASH AT END OF YEAR (Note4 (a))	<u><u>341,429</u></u>

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS

AUSTRALIAN EDUCATION UNION - ACT BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 DECEMBER 2004

Note 1 Statement of Accounting Policies

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act 1996 and associated Regulations 2003.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) **Income Tax**

The association is a tax exempt body under the division 50 of the income tax assessment Act 1997 as a registered employee organisation.

(b) **Property, Plant & Equipment**

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and Equipment

Plant and Equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount from those assets.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the association commencing from time the assets is held ready for use.

The depreciation rates used for each class of depreciable asset are:

<u>Class of Fixed Assets</u>	<u>Depreciation Rate</u>
Office Furniture & Fittings	10 - 15%
Office Equipment	20 - 25%
Leasehold Buildings	2.50%

(c) **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9654 6672

Mr Clive Haggar
Secretary
Australian Education Union
ACT Branch
PO Box 3042
MANUKA ACT 2603

Dear Mr Haggar,

**Re: Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule)
Financial reports for year ended 31 December 2004 - FR2004/749**

I have received the financial reports of your organisation for year ended 31 December 2004. The documents were lodged in the Industrial Registry on 29 March 2005.

The documents have been filed.

Although the documents have been filed, I would like to comment on some issues arising out of the reports. I make these comments to assist you when you next prepare financial reports, you do not need to take any further action in respect of the financial reports already lodged.

1. Auditor's Report

The opinion expressed by the auditor in their report has been drafted in terms of the previous requirements of the Workplace Relations Act 1996. In order to strictly comply with the provisions of subsection 257(5) of the RAO Schedule, I suggest that the auditor's opinion be expressed in the following terms:

"In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996".

I have forwarded a copy of this letter to the auditor for their views about this matter.

2. Operating Report

Right of members to resign:

Subsection 254(2)(c) requires the operating report to “give details” of the right of members to resign from the reporting unit under section 174 of the RAO Schedule. The requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. It would appear in this case that sub rule 17(1A)(3) of the organisation’s Federal Rules is applicable.

3. Presentation of Reports to Committee of Management meeting

Your covering certificate states that the report was presented to the Branch Committee of Management. Subsection 266(3) of the RAO schedule only allows the full report to be presented to a committee of management if the rules of the reporting unit allow 5% or less of the reporting unit’s members to call a general meeting “for the purpose of considering the auditor’s report, the general purpose report and the operating report”.

While at first glance Federal Branch rule 41 may appear to cover the situation, that rule specifically refers to a meeting being requested for the purpose of “acceptance or rejection” of “any decision of Branch Executive or Branch Council...”. The legislation requires members to be able to call a meeting “for the purpose of considering” the reports, regardless of whether or not there is any specific decision of the committee of management to review.

If the branch intends to present the reports to the committee of management in future years, the rules should be altered to allow members to call a general meeting “for the purpose of considering the auditor’s report, the general purpose report and the operating report”.

Please do not hesitate to contact me on (03) 8661 7988 if you wish to discuss this letter.

Yours sincerely



Lynette Markovski
Statutory Services Branch

31 May 2005

cc Kim Hanna
Registered Company Auditor
Suite 15 George Turner Offices
TURNER ACT 2601

