



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition St, Melbourne Vic 3000
GPO Box 1994, Melbourne, VIC 3001
Tel: (03) 8661 7990 Fax: (03) 9655 0410
andrew.schultz@air.gov.au

Mr Clive Haggar
Branch Secretary
Australian Education Union
ACT Branch
40 Brisbane Avenue
BARTON ACT 2600

By email: priority1@aeuact.asn.au

Dear Mr Haggar,

Re: Financial Documents - year ended 31 December 2006 (FR2006/636)
Schedule 1 - Workplace Relations Act 1996 (RAO Schedule)

I have received the revised financial report for the ACT Branch of the Australian Education Union for year ended 31 December 2006. The documents were lodged on 28 May 2007.

The documents have been filed.

Please bear in mind, in future financial years, that the financial documents must be signed and dated *before* they are provided to members and presented to a meeting.

If you have any queries please contact me on (03) 8661 7990.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Andrew Schultz', written over a horizontal line.

Andrew Schultz
Statutory Services Branch

31 May 2007



FR 2006/636

File Reference: B47

FAXED
22/5/07

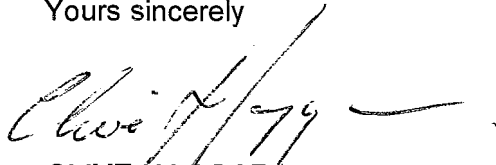
Mr Ken Ophel
Team Leader - Australian Industrial Relations Commission
Level 36, Nauru House
80 Collins Street
MELBOURNE VIC 3000

Dear Ken

**Australian Education Union - ACT Branch
Financial Return – Year Ending 31 December 2006**

I enclose a copy of the Auditor's Report, Accounts and Statements as re-presented for the period ending 31 December 2006 in additional to all documents required under the Workplace Relations Act 1996.

Yours sincerely



CLIVE HAGGAR
Secretary

21 May 2007

Attachments

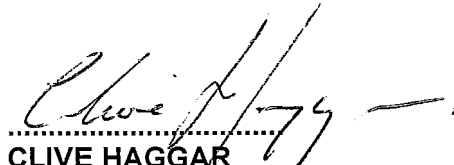


**CERTIFICATE OF SECRETARY
OR OTHER AUTHORISED OFFICER**
[s268 of Schedule 1B *Workplace Relations Act 1996*]

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 re-presented to a meeting of the Committee of Management of the reporting unit on 15 May 2007; in accordance with section 266 of the RAO Schedule.
- That the full report was re-presented to members via the Internet on 21 May 2007 and members advised by email that the re-presented documents were available..

Signed:


.....
CLIVE HAGGAR
Branch Secretary

Date: 21 May 2007

**AUSTRALIAN EDUCATION UNION
ACT BRANCH**

***General Purpose Financial Report
For The Year Ended 31st December, 2006***

Houston & Hanna

Chartered Accountants
15/11 McKay Gardens
TURNER ACT 2601

Phone: 02-62498515 Fax: 02-62496792

Email: kim@khanna.com.au

AUSTRALIAN EDUCATION UNION - ACT BRANCH

COMMITTEE OF MANAGEMENT STATEMENT

On 15/05/2007 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 2006.

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 the 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 the branch concerned;
 - (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 require 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.

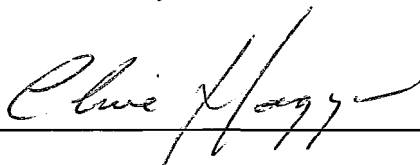
For Committee of management:

Clive Haggar

Title of Office held:

Branch Secretary

Signature:



Date:

15 May 2007

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 2006 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;
- (ii) the general purpose financial report is presented fairly in accordance with applicable Australian Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace relations Act 1996, and
- (iii) that the branch has not being 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.....14/5/07.....

AUSTRALIAN EDUCATION UNION - ACT BRANCH

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2006

| 2005 | INCOME | 2006 |
|------------------|---|------------------|
| \$ | | \$ |
| 1,480,411 | Members subscriptions | 1,612,328 |
| (18,083) | Less collection costs | - |
| 10,336 | Interest on investments | 9,546 |
| 16,311 | Other income | 22,702 |
| 35,971 | Rent received | 21,603 |
| <u>1,524,946</u> | TOTAL INCOME | <u>1,666,178</u> |
| 18,290 | Affiliation fees & I.T.F. Subscriptions | 28,362 |
| 23,748 | Amortisation - leasehold buildings | 27,591 |
| 77,547 | Arbitration & campaign expenses | 137,684 |
| 3,600 | Audit & Accounting Costs | 3,500 |
| 6,892 | Bank fees & merchant fees | 10,896 |
| 2,240 | Provision for Doubtful Debts & Bad Debts | 4,560 |
| 4,413 | Cleaning | 4,189 |
| 22,703 | Computer Services & Data base Costs | 22,543 |
| 10,379 | Depreciation | 8,526 |
| 6,498 | Donations - general | 14,595 |
| 2,082 | Electricity | 2,891 |
| 19,155 | Meeting & conference expenses | 18,488 |
| 9,014 | Membership services & Training | 11,973 |
| 91,939 | Federal capitation fees | 92,075 |
| 29,320 | Newsletter Expenses | 29,176 |
| 22,421 | Insurance | 25,187 |
| 8,592 | Interest | - |
| 13,198 | Office equipment & Leases | 11,957 |
| 51,633 | Legal - annual retainer | 57,309 |
| - | Legal - member's | 5,584 |
| 3,142 | Legislation reports & awards | 2,461 |
| 3,627 | Photocopying charges | 2,651 |
| 14,836 | Postage, freight & general expenses | 16,690 |
| 14,733 | Printing & stationery (Inc. year planner) | 16,247 |
| 17,211 | Professional development & training | 6,048 |
| 8,701 | Provision for annual leave | (18,902) |
| 5,870 | Provision for long service leave | 12,318 |
| 22,222 | Rates, taxes and body corporate fees | 25,373 |
| 10,347 | Repairs, maintenance & replacements | 16,357 |
| 107,799 | Salaries - officers | 107,799 |
| 667,065 | Salaries - other employees | 677,984 |
| 88,085 | Superannuation -general staff | 93,994 |
| 17,465 | - officers | 17,465 |
| 17,963 | Telephone & internet costs | 17,226 |
| 6,809 | Travel | 7,889 |
| 20,821 | Vehicle expenses (including FBT) | 29,673 |
| 6,612 | Vehicle depreciation | 10,552 |
| 2,165 | Women's Budget | 2,105 |
| <u>1,459,137</u> | TOTAL EXPENSES | <u>1,561,016</u> |
| 65,809 | Operating surplus for year | 105,162 |

AUSTRALIAN EDUCATION UNION - ACT BRANCH

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2006

| 2005 | | NOTES | 2006 |
|----------------|--|----------|----------------|
| \$ | | | \$ |
| | CURRENT ASSETS | | |
| 148,039 | Cash at Bank | | 181,576 |
| 235,306 | Cash on Deposit | | 242,975 |
| 14,135 | Sundry Debtors and Prepayments | | 21,612 |
| 3,648 | Members Subscriptions in Arrears | | 4,810 |
| 18,210 | Members Welfare Loans | 5 | 19,590 |
| (9,000) | Less: Provision for Doubtful Debts | | (9,000) |
| 410,338 | TOTAL CURRENT ASSETS | | 461,562 |
| | NON CURRENT ASSETS | | |
| 833,300 | Leasehold Property, Plant & Equipment | 3 | 792,946 |
| 1,243,638 | TOTAL ASSETS | | 1,254,508 |
| | LESS CURRENT LIABILITIES | | |
| 67,753 | Sundry Creditors | | 53,198 |
| 46,927 | Borrowings | | - |
| 97,440 | Provision for Staff Entitlements - general staff | 6 | 88,576 |
| 69,062 | - officers | 6 | 76,520 |
| 84,985 | Subscriptions Paid in Advance | | 58,759 |
| 366,167 | TOTAL CURRENT LIABILITIES | | 277,053 |
| | NON - CURRENT LIABILITIES | | |
| 5,000 | Rent Deposit held | | 5,000 |
| 31,643 | Provision for Staff Entitlements | 6 | 26,465 |
| 36,643 | TOTAL NON-CURRENT LIABILITIES | | 31,465 |
| 402,810 | TOTAL LIABILITIES | | 308,518 |
| 840,828 | NET ASSETS | | 945,990 |
| | Represented By: | | |
| | Members Funds | | |
| 775,019 | Balance as at 1 January 2006 | | 840,828 |
| 65,809 | ADD - Surplus/(Deficit) for Year | | 105,162 |
| 840,828 | Balance as at 31 December 2006 | | 945,990 |

AUSTRALIAN EDUCATION UNION - ACT BRANCH

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2006

| 2005 | | 2006 |
|--|---|-----------------------|
| \$ | | \$ |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| 1,532,670 | Receipts from Members | 1,637,392 |
| 10,336 | Interest received | 9,546 |
| 51,981 | Receipts - other persons | 44,305 |
| <u>(1,413,757)</u> | Payments to suppliers & employees | <u>(1,596,826)</u> |
| 181,230 | NET CASH PROVIDED BY OPERATIONS (Note 4(b)) | 94,417 |
| CASH FLOW FROM INVESTING & FINANCING ACTIVITIES | | |
| 2,602 | Sale of assets (net) | 12,304 |
| (69,377) | Loan Repayments | (46,927) |
| (72,539) | Payments for Assets | (18,588) |
| <u>(139,314)</u> | NET CASH PROVIDED BY INVESTING & FINANCING | <u>(53,211)</u> |
| 41,916 | NET INCREASE/(DECREASE) IN CASH HELD | 41,206 |
| 341,429 | Cash at beginning of year | 383,345 |
| <u>383,345</u> | CASH AT END OF YEAR (Note4 (a)) | <u>424,551</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 2006

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 EDUCATION UNION - ACT BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

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

| 2005 Written Down Value \$ | | Cost \$ | Accumulated Depreciation \$ | 2006 Written Down Value \$ |
|----------------------------------|----------------------------|-------------------------|-----------------------------------|----------------------------------|
| 777,974 | Leasehold land & buildings | 994,472 | 244,089 | 750,383 |
| 4,435 | Furniture & fittings | 88,692 | 84,571 | 4,121 |
| 20,509 | Office equipment | 89,054 | 73,146 | 15,908 |
| 30,382 | Motor vehicles | 29,059 | 6,525 | 22,534 |
| <u>833,300</u> | Total written down value | <u>1,201,277</u> | <u>408,331</u> | <u>792,946</u> |

NOTE 4 - CASH FLOW INFORMATION

(a) Reconciliation of Cash

| | 2006 \$ | 2005 \$ |
|-----------------|-----------------------|-----------------------|
| Cash on hand | 500 | 500 |
| Cash at bank | 181,076 | 148,039 |
| Cash on deposit | 242,975 | 234,806 |
| | <u>424,551</u> | <u>383,345</u> |

AUSTRALIAN EDUCATION UNION - ACT BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2006**

NOTE 4 - CASH FLOW INFORMATION (continued)

| (b) Reconciliation of Cash Flows from Operations | 2006 | 2005 |
|---|----------------------|-----------------------|
| | \$ | \$ |
| Operating surplus/(deficit) | 105,162 | 65,809 |
| Add Back Non-Cash Items | | |
| Amortisation | 27,591 | 23,748 |
| Depreciation | 19,048 | 16,991 |
| Increase/(decrease) in provisions | (6,584) | 16,811 |
| Total Non-Cash Items | <u>145,217</u> | <u>57,550</u> |
| Changes in Assets & Liabilities | | |
| Decrease/(Increase) in Debtors, Prepayments & Members Loans | (10,019) | (5,917) |
| Increase(decrease) in Creditors, including Subs in Advance | (40,781) | 63,788 |
| Cash Flows from Operations | <u>94,417</u> | <u>115,421</u> |

NOTE 5 - TEACHER WELFARE FUND

Summary of Transactions in the Teacher Welfare Fund

| | | |
|--|----------------------|----------------------|
| Balance of loans outstanding 1 January 2006 | 18,210 | 15,170 |
| Loans made during the year | 8,800 | 5,000 |
| | <u>27,010</u> | <u>20,170</u> |
| Less: Loan repayments received | (2,860) | (1,960) |
| Loans written off | (4,560) | - |
| Balance of loans outstanding 31 December 2006 | <u>19,590</u> | <u>18,210</u> |

NOTE 6 - PROVISION FOR STAFF LEAVE ENTITLEMENTS

Current Liabilities

General Staff

| | | |
|----------------------------------|---------------|---------------|
| Provision for Annual Leave | 48,443 | 71,738 |
| Provision for Long Service Leave | 40,133 | 25,702 |
| | <u>88,576</u> | <u>97,440</u> |

Office Holder

| | | |
|----------------------------------|---------------|---------------|
| Provision for Annual Leave | 28,642 | 24,249 |
| Provision for Long Service Leave | 47,878 | 44,813 |
| | <u>76,520</u> | <u>69,062</u> |

Non Current Liability

| | | |
|----------------------------------|---------------|---------------|
| Provision for Long Service Leave | <u>26,465</u> | <u>31,643</u> |
|----------------------------------|---------------|---------------|

OPERATING REPORT 2006

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

Secretary's Overview 2006:

2006 has been the most difficult year for ACT public education since the establishment of the ACT system in 1973.

We ended the reporting period for 2005 fearing the worst from the election of the 4th Howard Government with its control over the Australian Senate. We end the reporting period for 2006 awaiting the announcement by a majority Stanhope Labor Government of a massive round of school closures and of an arbitrator's decision on staffing levels, conditions and wages for 2007.

15 November 2005 saw 200 AEU school representatives join 5000 other unionists at the Canberra Racecourse to participate in the first national Your Rights at Work rally. Addressed nationally through Sky Channel and by ACTU President Sharan Burrow and Secretary Greg Combet, the ACT union members and supporters were treated to an impassioned speech by Chief Minister Jon Stanhope in defence of the rights of working people. Union members led by ACT Government employees gave the Chief Minister a standing ovation as he committed himself and his Government to the anti WorkChoices campaign. Twelve months later as the ACTU and UnionsACT plan another national protest rally for November 30; the ACT Government has so effectively damaged its reputation as a good employer that the Chief Minister and his colleagues will be absent from the stage at Manuka Oval. Commissioning a secret review of Government services under the leadership of the head of ACTEW/AGL Michael Costello and supported by Treasury officials, the ACT Labor Government incorporated the secret recommendations of the review into the June 6 Budget and its bargaining strategy and education policy.

Already panicked by ACT Treasury prognostications of eventual bankruptcy, the directions to be taken by the ACT Government were flagged in their approach to bargaining for a new agreement with the AEU for schools and CIT.

An initial salary offer of 3% [1.8% below CPI in the ACT] was immediately followed by an offer of 4%pa [the national public sector settlement standard] on the understanding that secondary schools would lose first 120 positions, then 135, then in the June 6 horror Budget 145 positions across both primary and secondary schools.

Teachers were to increase face-to-face teaching hours to facilitate the job loss while in a further cut the DET Central Office would lose 90 positions – taking it to the point of dysfunction.

Superannuation entitlements were reduced to the lowest possible legal level of 9% for new entrants and less than that available in the ACT private school sector. The Stanhope Government, through its Budget, effectively walked away from the basic principle of Enterprise Bargaining – the commitment to bargain in good faith. The massive job cuts across the public sector; the failure to budget for real salary increases; the assault on superannuation equating to a 6.4% cut in remuneration; and policy decisions not to pay back pay saw the alienation of their traditional public sector support base.

The detailed history of the dispute is contained in the Industrial section of the Annual Report. Irrespective of the outcomes of the arbitration process we are now involved in, and after a total of six days of industrial action spread across six months, the damage to teacher morale inflicted by the ACT Government's treatment of the profession will be long lasting.

While the Government pursued its industrial relations policy against employees, it moved through the June Budget against the schools themselves with the appalling 2020 program of proposed school closures. A glossy handbook was released targeting 39 preschools and schools and a series of 8 regional consultations were announced. Touted as rebuilding public

education, the program justified targeting particular schools with a plethora of inaccurate, outdated and confused data that immediately came under attack. The public meetings saw a newly minted Minister sticking to a script, as thousands of Canberrans listened to the grief of parents, teachers and students in defence of their schools.

The AEU's response to 2020 was to propose a moratorium on closures until 2008 while a comprehensive public review was undertaken to examine the future for ACT public school provision. Like similar calls from parent and community groups and opposition parties, it was rejected by the Government as it steamrolled on to the December announcement and the predictable staffing chaos and community distress. Masterminded by the Costello Review, DET was only brought into the picture at the very last moment to draft 2020 with its smorgasbord of options and choices, most lacking any real educational justification.

The AEU campaigned vigorously against 2020 on the basis of the flawed process highlighting the disastrous impact on schools, teachers and students. Its comprehensive submission to the Government was made available to the public and media while officers worked with DET officials to minimise the impact of the disruption caused by this worst practice education policy making.

One positive piece of long term policy development that was progressed in 2006 was the new curriculum frameworks due to be implemented fully in 2008. The quality of the frameworks and their essential learning achievements is a testament to the co-operative professional partnership that developed them. Hundreds of classroom teachers, led by highly competent curriculum experts, saw widespread acceptance of the new directions. However, the ongoing implementation is now threatened by the deliberate targeting of school curriculum by the ACT Treasury when a bid for more curriculum resources became a cut of \$1 million in the June Budget.

Curriculum, and particularly assessment and reporting, has been an ongoing battleground between the States and the Federal Government. It had been hoped that with the replacement of the populist and idiosyncratic Brendan Nelson with previously described moderate Julie Bishop, the relationship between the Federal Government, the States and the teaching profession would improve. Unfortunately this has not been the case with regular wedged interventions by the Prime Minister and Julie Bishop over values, history and geography teaching, teacher remuneration and A to E reporting being just a few of the examples. Prepared to threaten the withdrawal of Federal funds to non compliant systems, the Federal Government has been prepared in the "Nelson" tradition to intervene for political benefit, regularly appealing to perceived populist sentiment as Julie Bishop demonstrated with her October attack on "Maoist" curriculum developers. Whilst this generated ridicule of the Minister it also trashed several years of committed partnership between the States and Territories on curriculum.

Throughout 2006 members expressed significant distress and resentment over the simplistic and often detrimental A to E reporting demands of the Federal Government. The ACT had won a number of concessions to how it was done. Elsewhere, teachers free at this time of the constraints of WorkChoices Legislation campaigned against its implementation. The AEU locally has made it clear to DET that the profession expects to see every opportunity being taken to reinforce quality assessment and reporting to parents to minimise the impact of the Nelson-Bishop initiative.

ACT schools did benefit from the Federal Government's infrastructure grants to school P&Cs but the latest announcement of \$30 million pa to support a chaplain service is yet another example of Federal funding skewed for political purposes to support the private sector. A furore was raised on the Federal funding issue with the revelation that elite schools are reporting multi-million dollar operational profits as a result of Government largesse through the SES funding arrangements. These are being reviewed but in secret and with no opportunity for submissions other than from the beneficiaries of this sorting of public funds.

Whilst Federal Labor has heeded advice from the AEU and other public education supporters on the requirement for needs based funding, it has lost its nerve in retreating from a

commitment to freeze funding to the elites. It has however, supported a standards based rewards scheme for teachers if it is elected in the 2007 elections. This type of system is supported by AEU policy but rejected by the ACT Labor Government at this time.

ACT officers have participated in some of the AEU lobbying on schools and TAFE of Federal Labor, particularly in meetings with the Labor Education Caucus.

Because of the dispute and associated campaigning, meetings with local MLAs have not been as frequent as they have in the past nor have meetings with the Minister. With majority Government the ALP backbenchers have been isolated from Cabinet and the Labor Caucus marginalised. The Liberal's disarray as a party has also reduced their effectiveness in Opposition, however, several meetings with the Liberal Education spokesperson Vicki Dunne have been held. The sole cross bench member Deb Foskey, also marginalised by majority government, has been actively lobbied particularly on the issues of our salary dispute and school closures. Both Ms Dunne and Ms Foskey have been outspoken on these issues and attended AEU rallies.

Meetings with the Minister Andrew Barr have been infrequent and difficult. The Minister, given the portfolios of Education and Industrial Relations, has struggled to master his responsibilities and to operate an effective office. The lack of experience and expertise has been evident given the enormous pressure he has been under because of the EBA campaign and the 2020 program. The EBA dispute has not been helped by the Minister's resort to media rather than consistent and serious attempts to address the complex and difficult issues he has to address without the financial where-with-all and freedom to do so.

Despite the focus on the dispute over the EBA, Budget cuts and school closures the AEU has continued to support the public education system by publicising and celebrating the work of members. The May Public Education Week involved many schools and most members in actively promoting "Public Education Works". ACTU President Sharan Burrow was our guest speaker at the event and this January's AEU Federal Conference is to be hosted in Canberra and it will, along with the TAFE National Council Meeting, enable members to see the work of the Union first-hand as it develops policy for the coming Federal elections and beyond.

One of the challenges for us as educators and unionists will be to develop policy to assist members in dealing with the issue of climate change and its economic and social impacts, an issue that is crying out for informed debate and civic action.

For our TAFE members the vicious ACT Budget cut of \$3 million pa has hit hard on top of the historic and almost continuous reductions of the Howard years. At a time of chronic skill shortage the ACT Government's funding reduction will again deprive many ACT community members opportunities for further education and training. The Federal announcement of an Australian Technical College in Queanbeyan again underpins the idiocy of Government planning at both the local and Federal level to manage the skills crisis.

The internal affairs of the Union have come through 2006 in a robust manner. Previous staff restructuring and the final payout of our mortgage of the Union's offices at 40 Brisbane Avenue, Barton meant that the expenses of campaigning for the year, including the anti WorkChoices campaign, campaigning for our EBA and for public education were able to be met at record levels. High levels of new membership recruitment, at over 500 by November 2006, supported the active campaigning.

Similar campaign expenditure is being budgeted for in 2007 as we face the need to highlight to the ACT community the importance of defeating WorkChoices and achieving a better deal for public education at the Federal level. AEU-ACT members contributed to the Your Rights at Work campaign in a variety of ways – through a \$10,000 donation to UnionsACT, contributions to the AEU Federal levy to the ACTU and \$4,000 to support construction workers in WA being victimised by the Federal Government for taking industrial action. This latter sum was collected at our September strike and rally.

Positive working relationships between the AEU and officers in DET have been maintained despite the EBA and Budget disputes. It is true to say that despite their shocking treatment at the hands of the Budget that Central Office staff have worked hard in defence of public education, teachers and students within the parameters they have been allowed. For many the reward has been the loss of their job and forced transfer. At the time of writing many still don't know their location or job for 2007.

It is important to note the professionalism of the officers and staff of the AEU during 2006. The tremendous organisational work in communicating to members, representing their needs, organising events like our stopwork meetings, rallies, journals, out-of-hours meetings and all the other activity that goes on in an effective union. The loss of TAFE VET Organiser Tim McNevin after five years and Ros Tovey after 23 years to other employment was deeply regretted. However, Mike Fitzgerald [who replaced Tim McNevin] and John Tovey [who replaced Ros] have both fitted into their roles very well.

Despite the massive workload of the EBA campaign the ACT Branch provided high quality advice and assistance to hundreds of members. At the major end, several members faced legal and disciplinary action with one case proceeding to a successful defence in a Supreme Court context. With recruitment at a very high level again this year the move to direct debit instead of payroll deductions was taken as a long term defensive measure against Government action to remove such a facility. The ACT Branch, as a result of agreement with the CPSU and a rule change in 2006, is now able to sign up STAs and Youth Workers as full members. We will begin a campaign in the New Year to recruit these new members. In numbers there is strength!

In February 2006 the AEU held a very special function to remember the outstanding service of former President Rosemary Richards, life member and former principal of Lake Ginninderra College. Over 170 guests joined Rosemary to acknowledge her enormous contribution to public education and the AEU. Rosemary passed away on 9 November.

The ACT Branch has involved itself throughout the year in national activities, including National Executive, National TAFE Council, Executive, various seminars, national meetings and in the campaigning and lobbying exercises led by the AEU's Federal President Pat Byrne and Federal Secretary Susan Hopgood.

The close personal working relationships with our interstate colleagues have been beneficial to all concerned in advancing the cause of teacher unionism and public education in 2006.

In all, as this report outlines, 2006 has been a horror year for public education in the ACT. The pain and conflict inflicted by a Labor Government professing the highest goals for public education. The second Stanhope Government has through deliberate action, negligence and ignorance, created a circumstance where the system and the profession's futures have been put into serious jeopardy. If the Government is to survive with any kind of educational credibility it needs to be spending the next 2 years returning to the supportive, competent and professional mode of its earlier years in dealing with ACT education. Without a quality public education system the ACT has no future as an egalitarian and progressive community. The AEU will of course continue to campaign for this sort of future.

Having been re-elected for the 2007-2008 term, along with Honorary President Annamaria Zuffo, I want to assure members of my determination to lead the AEU team with all the commitment and dedication I can muster.

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. The member is entitled to resign in accordance with Federal Rule 17 – Sub-rule 17[1A][3].

In effect, this Rule provides that 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 3295 financial members at 31 December 2006; 1 full time officer and 8 other employees

The full Annual Report and Financial Report for 2006 are available on the ACT Branch website.


Clive Haggar – Branch Secretary

14 May 2007