



FAIR WORK
AUSTRALIA

25 June 2010

Ms Penny Gilmour
Branch Secretary
Australian Education Union, Australian Capital Territory Branch
By email: priority1@aeuact.asn.au

Dear Ms Gilmour

Re: Financial Report for the Branch for year ended 31 December 2009 – FR2009/10302

I acknowledge receipt of the financial report for the Branch for the year ended 31 December 2009. The report was lodged with Fair Work Australia on 29 March 2010.

I apologise for the delay in responding to you. The financial report has now been filed.

I have attached an addendum for your consideration in which I make comments to assist you when you next prepare a financial report. If you wish to discuss any matters further, I can be contacted on 03 8661 7882 or via email at thomas.hobbs@fwa.gov.au. A copy of this letter and the addendum will also be forwarded to your auditor.

Yours sincerely

Thomas Hobbs

Tribunal Services and Organisations

Fair Work Australia

Email: thomas.hobbs@fwa.gov.au

Copy: Mr Kim D Hanna FCA
Registered Company Auditor
Houston & Hanna Chartered Accountants
By email: kim@khanna.com.au

Addendum to the Financial Reports for Australian Education Union, Australian Capital Territory Branch for year ended 31 December 2009: FR 2009/10302

Timeline Requirements

The *Fair Work (Registered Organisations) Act 2009* (RO Act) sets out a particular chronological order in which the financial documents must be prepared, provided to members and presented to a meeting.

It is noted that the lodged financial reports did not comply fully with these requirements as they were not provided to members at least 21 days before being presented to a general meeting – see subsection 265(5)(a) of the RO Act. In future financial years please ensure that the 21 day time frame is complied with.

Committee of Management statement

I note that the accounts do not provide any information in relation to any recovery of wages activity. Items 16 – 23, 25(f) and 27(b) of the *Industrial Registrar's Reporting Guidelines* govern the financial reporting of recovery of wages activity.

In circumstances where the reporting unit has not undertaken any recovery of wages activity for the financial year, a declaration in the Committee of Management Statement to the effect that there was no recovery of wages activity for the financial year would be sufficient.

Auditor's Report

The audit report must satisfy the Australian Auditing Standards for a General Purpose Financial Report. In particular, the scope of the audit report should refer to balance sheet as at 31 December 2009, the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the Committee of Management's statement and should be addressed to the members of the branch (ASA 700).

Statement in Changes of Equity

[Section 253\(2\)\(a\)](#) of the RO Act requires that a general purpose financial report consist of a balance sheet, income statement, statement of cash flows and any other statements required by the Australian Accounting Standards. AASB 101(10) requires that a financial report include a statement of changes in equity. There is no statement of changes in equity included in the report provided to Fair Work Australia. Please ensure that future financial reports contain a statement of changes in equity.

Cash Flow Statement

Reporting Guideline 15 states that "where another reporting unit of the organisation is the source of cash flow, or the application of cash flow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit concerned". In future years please ensure that cash flows between reporting units are disclosed either in the cash flow statement or the notes to the cash flow statement.

References to legislation

In future years please ensure that all financial documents refer to the relevant provisions of the current legislation:

- *Fair Work (Registered Organisations) Act 2009*
- *Fair Work (Registered Organisations) Regulations 2009*.

The [Reporting Guidelines](#) previously issued by the Industrial Registrar continue to apply under the above legislation.



File Reference: B47

Mr Larry Powell
Tribunal Services and Organisation
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001

Dear Larry

**Australian Education Union - ACT Branch
Financial Return – Year Ending 31 December 2009**

I enclose a copy of the Auditor's Report, Accounts and Statements for the period ending 31 December 2009 in addition to all documents required under the Fair Work [Registered Organisations] Act 2009.

Yours sincerely

PENNY GILMOUR
Secretary

23 March 2010

Attachments



**DESIGNATED OFFICER'S CERTIFICATE
OR OTHER AUTHORISED OFFICER**
s268 of the Fair Work [Registered Organisation] Act 2009

I, Penny Gilmour, 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 Fair Work [Registered Organisations] Act 2009; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 9 February 2010; in accordance with section 266 of the Fair Work [Registered Organisations] Act 2009.
- That the full report was provided to members via the Union's journal on 12 March 2010.
- That the full report was presented at a general meeting of members on 20 March 2010.

Signed:


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PENNY GILMOUR
Branch Secretary

Date: 23 March 2010

Australian Education Union – ACT Branch

BRANCH EXECUTIVE MEMBERS
[Committee of Management]

Officer	Position	Occupation	Workplace Address
P Gilmour	Secretary	Union Official	AEU – ACT Branch 40 Brisbane Avenue Barton 2600
P Rasmus	President	Teacher	Lake Ginninderra College 2 Emu Bank Belconnen 2616
R Amey	Vice President [Schools]	Teacher	Lake Ginninderra College 2 Emu Bank Belconnen 2602
L Read	Vice President [Schools]		Early Years Learning CTL, Fremantle Drive Stirling 2611
Chris Dennis	Vice President [TAFE]	TAFE Teacher	CIT – Fyshwick Trade Skills Centre GPO Box 826 Canberra 2601
I Bean	General Member	Teacher	Canberra High Bindubi Street Macquarie 2614
J Borton	General Member	Teacher	Charles Conder Primary Tom Roberts Avenue Conder 2906
R Byrne	General Member	Teacher	Richardson Primary Clift Crescent Richardson 2905
J Klein	General Member	Teacher	Lanyon High Heidelberg Street Conder 2906
C McAlister	General Member	Teacher	Majura Primary Knox Street Watson 2602
N Leuning	Preschool Representative	Teacher	Narrabundah Early Childhood School Kootara Crescent Narrabundah 2604
A Blanckensee	TAFE Representative	TAFE Teacher	CIT – Vocational College GPO Box 826 Canberra 2601

OPERATING REPORT 2009

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

Secretary's Overview 2009:

This year has been busy in the AEU-ACT Branch. While the major campaign focus has been the Enterprise Agreements for schools and TAFE, the Branch has also contributed submissions to – and appeared before – a range of ACT Legislative Assembly Enquiries, and continued to deal with a wide range of issues raised by members. All of the Branch's activities have taken place in an environment where the job of teaching continues to be complex and difficult, with consequent increased pressure on the workforce.

Staffing continues to be a pressure point in the system. The number of applicants to the ACT public education system has continued to decline over the last few years, suggesting that it no longer ranks as highly for prospective job applicants as it has in the past. This may be explained by the current salaries gap between the ACT and our nearest competitor NSW, a situation not going to be improved during the life of the new Enterprise Agreement – but more of that later. According to the recently-released *2009 State of Our Schools Survey* (conducted nationwide annually by the AEU's Federal Office), ACT schools continue to experience pockets of acute shortage in some subject areas, and to have general difficulty in securing a sufficient supply of relief teachers. Despite all of the pressures, the public education system continues to deliver high quality outcomes for students, thanks to the commitment and capacity of its teaching workforce.

Life Membership

Immediate past-Secretary Clive Haggar was awarded Life Membership of the AEU at the 2009 Federal Conference in January. This honour is a most fitting recognition of Clive's many years of service to the ACT Branch, but it also acknowledges his significant contribution to the Federal affairs of the AEU. It was a proud moment as Secretary for me to second the nomination, and a proud moment for the ACT Branch as another Life Member was added to its ranks.

Enterprise Agreements

The major focus of the AEU-ACT Branch over the last 12 months has been the Enterprise Bargaining rounds in DET and in CIT. With Claims served in both sectors prior to the end of 2008, the stage was set for the commencement of bargaining as early as possible in 2009.

Meetings began in late February, and while no written offer was made by either DET or CIT, the AEU understood the ACT Cabinet to have approved bargaining parameters of 3%p.a. for duration of up to 5 years. While this framework fell short of the AEU's Claims for both Agencies, negotiations commenced with a view to settling all other matters that could be agreed and returning to quantum and duration in the final part of the negotiations. This is common practice, and has been the AEU's experience in all recent bargaining rounds where salary increases and length of the agreement have been the last matters to settle.

DET negotiations:

The Schools Sector negotiations began quite cordially, with DET making clear that it was not seeking reductions of conditions in the bargaining. The parties continued to meet regularly until early May when the ACT Government changed its bargaining position – and consequently the framework within which DET could bargain. Despite the fact that negotiations were nearly 4 months into the process, the ACT Government's 2009 Budget provided for increases of only 2% for 2009 and 2.5% for 2010 and any subsequent out years. The AEU sought to have the previous parameters maintained for the teachers bargaining, but the Government did not agree and withdrew their previous instructions to DET and CIT.

An outcome of 4.5% over 2 years set up an impossible negotiation. Returning to the bargaining table, DET investigated a number of options and tabled a proposal for 6% over 2

years, paid as 4 instalments of 1.5%. Given that funding beyond the Budget was to be found from DET's own resources, the Department indicated that the staggered offer was the only way in which they could afford to deliver a total outcome of 6%. With the conditions discussions limited to those that did not carry a cost and a disappointing quantum on the table, AEU Officers strove to complete the negotiations before the end of June 2009 when the Federal IR laws changed again. The ACT Government committed to pay any increase from 1 July 2009 provided there was *in principle* agreement to a settlement by 30 June 2009.

Regular reports were provided to Executive, Council and the membership during the negotiations, so the Special Council in June 2009 was anticipated. An *in principle* endorsement of the 4 x 1.4% plus no change in conditions package was given by Council, which also put the ACT Government on notice that the poor outcome was seen as (a) the teacher contribution to the wage restraint urged by the Chief minister and (b) notice to Government that the gaps between ACT teacher salaries and those in other jurisdictions would have to be addressed in the next Agreement.

With the advent of the Fair Work Act from 1 July 2009, the legal bargaining requirements changed again. Although the AEU had an *in principle* settlement, the negotiations were still incomplete and so fell under the requirements of the FWA. For the first time, individuals could nominate themselves or another person to be a bargaining agent at the table. Two individuals nominated as bargaining agents with DET, but only one carried through and participated in the final stages of the negotiations. The outstanding issues in the agreement were wrapped up in 2 weeks of negotiation meetings, and the drafting completed shortly thereafter. The Agreement was released by DET for a 1-week access period, followed by a 2-week voting period. At the conclusion of voting, the ballot count revealed a "YES" vote of 81.8% and a return of close to 50% of the ballot papers issued.

At the time of writing this report, the DET Enterprise Agreement has been lodged with Fair Work Australia, and all are awaiting the conclusion of FWA's processing. While the timeframe is not yet clear, DET is gearing up on the expectation that the first 1.5% increase (including back pay to 1 July 2009) should be delivered in the final pay of November 2009.

CIT negotiations:

The difficult relationship between the AEU and CIT remained a feature of the negotiation process this year. CIT has been very difficult from the start, with suggestions that the 3%p.a. parameter determined by Cabinet was subject to negotiation, and attempts to alter conditions at CIT that were identical to the Common Core applicable to all ACTPS employees.

Negotiations at CIT were subject to the same change in ACT government bargaining policy as has been described in the school sector – that is, funding reduced from 3%p.a. for up to 5 years to 2% for 2009 and 2.5% for 2010 and any further out years. CIT declined to consider any top-up funding from internal resources, and even on this meagre base, CIT still attempted to pursue proposals to reduce teacher conditions. Negotiations were so fraught that TAFE Council met almost weekly on the lead-up to 20 June Special Council and a decision to secure *in principle* settlement.

In the final analysis, CIT members instructed AEU negotiations not to consider any change in working conditions – particularly an increase in annual teaching load which was the issue of most interest to CIT. Members elected to settle for the base increase of 2% from 1 July 2009 and 2.5% from 1 July 2010 in order to protect their conditions. This outcome means that different settlements in schools and TAFE were endorsed by Branch Council on 20 June 2009.

In the final weeks of the bargaining, CIT negotiations also fell under the new Fair Work Act provisions. One individual nominated as a bargaining agent at CIT. While addressing a range of issues out-of-session, the individual did not attend any formal bargaining meetings so these issues were dealt with by the other parties in the individual's absence.

The proposed CIT Enterprise Agreement has been released for an employee access period, and at the time of writing the formal ballot is about to commence. TAFE Council has

recommended that AEU members endorse the Agreement in the ballot. Assuming a favourable outcome in the ballot, the Agreement will be lodged with Fair Work Australia, but it is not yet clear how long it will be before FWA completes its procedures and the CIT Agreement achieves legal standing.

What now?

The Enterprise Agreement outcomes will not place the ACT well for the future. The AEU has already put the Government on notice that school sector salaries in particular will be uncompetitive at every step of the scale – including promotions positions – by the end of the Agreement. When the ACT's end-of-year financial report appeared to show a better than-expected outcome, the AEU wrote immediately to the Minister requesting that the issue of School sector Deputy Principal salaries be addressed as a matter of urgency, but our appeal has been rejected.

Over the next 2 years, it will be important in both schools and TAFE to engage in the Community Campaign to build both the knowledge and the pressure among the ACT community to support the push for a better outcome in the next round. If the ACT continues to under-value its teaching workforce it will have difficulty keeping its current employees and will likely face significant issues in recruiting and maintaining a high-quality workforce into the future.

Member involvement in the Branch

This year has been a testing one in terms of maintaining member involvement in the Branch. Executive vacancies were filled without contest, and many positions on the Branch Council are not filled at maximum entitlement. In addition to the small representation, there have been 2 Council meetings so far this year where quorum was not achieved and so no business was transacted. In 2010 the AEU Office will be surveying members to identify the reasons for non-engagement and to test whether the current meeting arrangements for Council are still the majority preference.

Membership numbers have experienced a slight reduction across the year. Although a concern, this is not unexpected as the number of members reaching retirement age increases. However, in an organisation dependent on membership dues for its income, the ACT Branch will need to continue maintenance of recruitment effort to avoid a loss of revenue into the future.

Member Benefits

Two matters of benefit to members were resolved in 2009.

The long-standing issue of cross-border membership of the AEU has now been resolved with the endorsement by Federal Executive of a Protocol to apply to AEU members who work in more than one state/territory public education system.

From August 2009 onwards, ACT Branch members who work in NSW as well as the ACT will be able to seek assistance from the NSW Teachers Federation without having to join that union. To access this benefit, ACT Branch members need to contact the AEU-ACT Branch and provide details of their employment in the NSW public education system. These will be passed on to the NSW Teachers Federation to certify that the member has a bona fide entitlement under the protocol to seek assistance from NSW without needing to join the NSWTF. The ACT Branch will retain liability for any authorised legal expenses incurred by such cross-border members. The reverse situation will apply to teachers whose union membership is with the NSWTF but who also work in ACT public schools/CIT.

The Protocol puts in place a procedure to deal with those individuals who work on both sides of a border region – some of whom have been seeking just such an arrangement about membership for many years!

A less-successful venture has been the *Frequent Values* Program. This benefit saw the ACT Branch purchase 300 discount booklets and cards in a program sponsored by UnionsACT. Proceeds from on-selling the program membership to AEU members will be retained by the

ACT Branch, but to date there has been a disappointing take-up rate with most of the 300 booklets/cards remaining unsold. No decision has been made on future involvement with this program.

League Tables & the protection of student test data

The public debate about the capacity for NAPLAN test data to be used to construct "league tables" has run hot for most of this year. In recent weeks there has been a slew of academic opinion on this issue in the press. Essentially the majority contributions take one of two paths: (a) questioning the value of league tables as a worthwhile tool for information on school performance, and (b) critique of the politicians' reluctance enact legislation to ensure the protection of data that could be used to create league tables.

At the time of writing the Annual Report, it is still unclear what the future holds in regard to the use of the 2009 NAPLAN test results and the media frenzy for ranking schools. Should "league tables" be created and published, the AEU will need to determine its response. This issue is likely to be a matter of debate at January 2010 Federal Conference.

ACTPEA

The ACT Branch maintains productive relationships with other stakeholders in public education. The ACT Public Education Alliance (ACTPEA) seems to have collapsed despite efforts to keep it alive, however scope still exist for ACTPEA do revive when there is an issue to be pursued by its membership. The AEU has continued to undertake discussions and work with the ACT P&C Federation, Save Our Schools, and the Principals Association whenever there have been matters of mutual interest. The AEU has also continued to exchange advice and information with the Independent Education Union (IEU) on various aspects of system organisation across both public and private sectors.

Supporting colleagues in other states

Following the devastating bushfires in Victoria in summer 2009, the ACT Branch Executive determined to make a donation to support public school students who had been affected by the fires. Many AEU members were also involved in fund0raising and other support activities conducted by ACT schools to support their Victorian colleagues. Clearly AEU members in the ACT were well-placed to offer support with many members having experienced the drama, loss and devastation of Canberra's 2003 bushfires.

The AEU Office

There have been no personnel changes in the AEU Office during 2009, and this stability has been a great benefit in a difficult EA year.

AEU Officers continue their excellent service to the membership, both in terms of dealing directly with members, the employers, Government and other parties, and in representing the AEU on committees and through written submissions on a range of matters. The Branch administrative staff continue to keep the Branch's' affairs running smoothly, a feat that provides a vital support to the Officers and members.

I would like to place on record my thanks to the staff and officers of the AEU, to the Executive, the Council and the membership in general. Your support and feedback are integral to the work of the AEU and its capacity to be the voice of public education in the ACT.

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 2988 financial members at 31 December 2009; 1 full time officer and 9 other employees.

The full Annual Report is available on the ACT Branch website.



PENNY GILMOUR
Branch Secretary

Dated: 23/3/2010

AUSTRALIAN EDUCATION UNION
ACT BRANCH

*General Purpose Financial Report
For The Year Ended 31st December, 2009*

Houston & Hanna

Chartered Accountants
15/11 McKay Gardens
TURNER ACT 2601

Phone: 02-62498515 Fax: 02-62496792

Email: kin@khanna.com.au

AUSTRALIAN EDUCATION UNION - ACT BRANCH

COMMITTEE OF MANAGEMENT STATEMENT

On 9/02/2010 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 2009.

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; 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:

Penelope Gilmour

Title of Office held:

Branch Secretary

Signature:



Date:

9th February, 2010

AUSTRALIAN EDUCATION UNION - ACT BRANCH

COMMITTEE OF MANAGEMENT STATEMENT

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- (e) during the financial year to which GPFR related and since the end of that year:
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 - (vi) no orders have been made by the Commission under section 273 of the RAO Schedule during the period.


For Committee of management:

Penelope Gilmour

Title of Office held:

Branch Secretary

Signature:



Date:

9th February, 2010

AUSTRALIAN EDUCATION UNION - ACT BRANCH

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2009

2008	INCOME	2009
\$		\$
1,562,049	Members subscriptions	1,584,709
28,521	Interest on investments	16,507
12,055	Other income	5,966
33,890	Rent received	34,611
<u>1,636,516</u>	TOTAL INCOME	<u>1,641,793</u>
24,724	Affiliation fees & I.T.F. Subscriptions	25,309
27,591	Amortisation - leasehold buildings	27,591
58,420	Arbitration & campaign expenses	27,153
3,200	Audit & Accounting Costs	3,200
11,463	Bank fees & merchant fees	14,337
330	Provision for Doubtfull Debts & Bad Debts	(2,800)
4,439	Cleaning	5,337
19,949	Computer Services & Data base Costs	23,092
12,985	Depreciation	7,360
7,723	Donations - general	5,109
3,828	Electricity	4,477
8,680	Meeting & conference expenses	13,570
16,901	Membership services & Training	19,330
18,676	Members Journey insurance	14,906
92,614	Federal capitation fees	96,086
27,761	Newsletter Expenses	15,622
21,682	Insurance	20,110
1,948	Office equipment & Leases	2,015
59,214	Legal - annual retainer	54,866
338	Legal - member's	-
2,577	Legislation reports & awards	2,332
4,879	Photocopying charges	4,145
14,179	Postage,staff recruitment & general expenses	14,089
18,486	Printing & stationery (Inc. year planner)	9,434
9,658	Professional development & training	3,846
(3,200)	Provision for annual leave	19,396
(35,341)	Provision for long service leave	19,114
32,695	Rates, taxes and body corporate fees	28,463
5,222	Repairs, maintenance & replacements	20,479
261,790	Salaries - officers (Inc retirement leave entitlements)	132,289
653,252	Salaries - other employees	685,839
113,577	Superannuation -general staff	111,312
23,008	- officers	18,845
14,416	Telephone & internet costs	15,963
6,392	Travel	3,077
47,449	Vehicle/car allowances expenses (including FBT)	50,095
3,605	Vehicle depreciation	2,885
3,652	Women's Budget	3,201
<u>1,598,762</u>	TOTAL EXPENSES	<u>1,521,473</u>
<u>37,754</u>	Operating surplus for year	<u>120,320</u>

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS

AUSTRALIAN EDUCATION UNION - ACT BRANCH

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009

2008		NOTES	2009
\$			\$
	CURRENT ASSETS		
106,293	Cash at Bank		48,007
378,389	Cash on Deposit		667,482
46,814	Sundry Debtors and Prepayments		21,269
15,796	Members Welfare Loans	5	12,050
(9,000)	Less: Provision for Doubtful Debts		(2,000)
538,292	TOTAL CURRENT ASSETS		746,808
	NON CURRENT ASSETS		
724,746	Leasehold Property, Plant & Equipment	3	969,299
1,263,038	TOTAL ASSETS		1,716,107
	LESS CURRENT LIABILITIES		
58,447	Sundry Creditors		65,969
138,355	Provision for Staff Entitlements - general staff	6	152,983
22,188	- officers	6	43,145
52,730	Subscriptions Paid in Advance		57,058
271,720	TOTAL CURRENT LIABILITIES		319,155
	NON - CURRENT LIABILITIES		
7,220	Provision for Staff Entitlements	6	10,145
7,220	TOTAL NON-CURRENT LIABILITIES		10,145
278,940	TOTAL LIABILITIES		329,300
984,098	NET ASSETS		1,386,807
	Represented By:		
	Members Funds		
946,344	Balance as at 1 January 2009		984,098
-	Revaluation of Leasehold Land & Building Reserve		282,389
37,754	Add - Surplus/(Deficit) for Year		120,320
984,098	Balance as at 31 December 2009		1,386,807

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS

AUSTRALIAN EDUCATION UNION - ACT BRANCH

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2009

2008		2009
\$		\$
	CASH FLOW FROM OPERATING ACTIVITIES	
1,560,494	Receipts from Members	1,589,037
25,898	Interest received	16,507
45,560	Receipts - other persons	40,577
<u>(1,621,475)</u>	Payments to suppliers & employees	<u>(1,415,314)</u>
10,476	NET CASH PROVIDED BY OPERATIONS (Note 4(b))	230,807
	CASH FLOW FROM INVESTING & FINANCING ACTIVITIES	
<u>(4,265)</u>	Payments for Assets	<u>-</u>
(4,265)	NET CASH PROVIDED BY INVESTING & FINANCING	-
6,211	NET INCREASE/(DECREASE) IN CASH HELD	230,807
478,471	Cash at beginning of year	484,682
<u><u>484,682</u></u>	CASH AT END OF YEAR (Note4 (a))	<u><u>715,489</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 2009

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, 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.

During 2009 the Leasehold Land & Building at Barton ACT was Valued by an independent property Valuer, the increase in value above the written down value has been shown in the financial accounts.

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 2009

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

2008 Written Down Value		Cost	Accumulated Depreciation	2009 Written Down Value
\$		\$	\$	\$
0	Leasehold land & buildings- @Valuation -Net Increase			282,389
695,202	Leasehold land & buildings	994,473	(326,862)	667,611
3,384	Furniture & fittings	72,369	(69,319)	3,050
11,739	Office equipment	23,424	(18,711)	4,713
14,422	Motor vehicles	29,059	(17,522)	11,537
724,746	Total written down value	1,119,324	(432,414)	969,299

NOTE 4 - CASH FLOW INFORMATION

(a) Reconciliation of Cash

	2009 \$	2008 \$
Cash on hand	600	500
Cash at bank	47,407	105,793
Cash on deposit	667,482	378,389
	715,489	484,682

AUSTRALIAN EDUCATION UNION - ACT BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2009**

NOTE 4 - CASH FLOW INFORMATION (continued)

(b) Reconciliation of Cash Flows from Operations	2009	2008
	\$	\$
Operating surplus/(deficit)	120,320	37,754
Add Back Non-Cash Items		
Amortisation	27,591	27,591
Depreciation	10,245	16,590
Increase/(decrease) in provisions	31,510	(38,541)
Total Non-Cash Items	<u>189,666</u>	<u>43,394</u>
Changes in Assets & Liabilities		
Decrease/(Increase) in Debtors, Prepayments & Members Loans	29,291	(25,103)
Increase(decrease) in Creditors, including Subs in Advance	11,850	(7,815)
Cash Flows from Operations	<u><u>230,807</u></u>	<u><u>10,476</u></u>

NOTE 5 - TEACHER WELFARE FUND

Summary of Transactions in the Teacher Welfare Fund

Balance of loans outstanding 1 January 2009	15,796	18,175
Loans made during the year	6,450	4,142
	<u>22,246</u>	<u>22,317</u>
Less: Loan repayments received	(5,996)	(6,191)
Loans written off	(4,200)	(330)
Balance of loans outstanding 31 December 2009	<u><u>12,050</u></u>	<u><u>15,796</u></u>

NOTE 6 - PROVISION FOR STAFF LEAVE ENTITLEMENTS

Current Liabilities

General Staff

Provision for Annual Leave	89,287	83,249
Provision for Long Service Leave	63,696	55,106
	<u>152,983</u>	<u>138,355</u>

Office Holder

Provision for Annual Leave	24,723	11,365
Provision for Long Service Leave	18,422	10,823
	<u>43,145</u>	<u>22,188</u>

Non Current Liability

Provision for Long Service Leave	10,145	7,220
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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 2009 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.

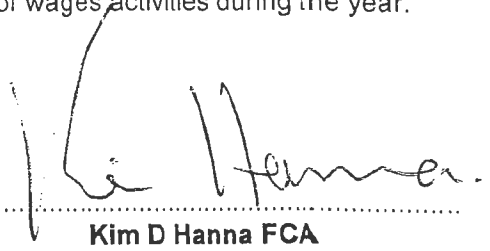
My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the accounts are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the accounts, and 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 Accounting 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


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Kim D Hanna FCA
Registered Company Auditor
Date..... 10/2/10.....