



FAIR WORK
AUSTRALIA

11 April 2011

Ms Penny Gilmour
Secretary
Australian Education Union, ACT Branch

email: priority1@aeuact.asn.au

Dear Ms Gilmour

Re: Financial Report for the Australian Education Union, ACT Branch for year ended 30 June 2010 – FR2010/2899

I acknowledge receipt of the financial report for the Australian Education Union, ACT Branch (the Branch) for the year ended 31 December 2010. The report was lodged with Fair Work Australia on 30 March 2011.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

Operating Report

The financial report contained a copy of the Operating Report dated 28 March 2011, which was dated after the distribution of the full report to members and its presentation to the general meeting of members on 19 March 2011. Section 265(1) of the *Fair Work (Registered Organisations) Act 2009* (the Act) indicates that a reporting unit must provide free of charge to its members a full report consisting of a copy of the Audit Report, general purpose financial report and Operating Report. The Branch is therefore required to supply members with a copy of the Operating Report. Also in future years please ensure that the Operating Report is distributed to members with the General Purpose Financial Report.

Committee of Management Statement

Consistent with other branches

The Committee of Management statement at item (e)(iv) indicates that 'reports done on a single reporting unit basis' even though, the Branch is one of a number of reporting units of the Australian Education Union. Item 25(e)(iv) of the General Manager's Reporting Guidelines (the guidelines) requires a declaration by the Committee of Management that:

where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation.

Section 242 of the Act determines what constitutes a 'reporting unit' for the purposes of the Act:

Organisations not divided into branches

(2) Where an organisation is not divided into branches, the reporting unit is the whole of the organisation.

Organisations divided into branches

(3) Where an organisation is divided into branches, each branch will be a reporting unit unless a certificate issued by the General Manager stating that the organisation is, for the purpose of compliance with this Part, divided into reporting units on an alternative basis (see section 245) is in force.

If the records have been kept in a consistent manner to each of the organisation's reporting units, the following statement can be made in the Committee of Management Statement:

the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation.

Notes to Financial Reports

Notice under Section 272(5) of the Act

As you are aware, the Notes to the General Purpose Financial Report are required to include a notice drawing attention to the fact that information that is prescribed by the Fair Work (Registered Organisations) Regulations 2009 is available to members on request. While note 2 to the financial statements does this, it replicates the wording of out-dated legislation.

Would you please ensure in future that the Notes contain this extract from the Act, word for word:

272 Information to be provided to members or General Manager

(1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

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

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

Note: This subsection is a civil penalty provision (see section 305).

Cash flows to other Australian Education Union reporting units

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

Fair Work (Registered Organisations) Act 2009

Reference to Schedule 1B, the RAO Schedule or the Workplace Relations Act 1996 contained in the full report, should properly refer to *Fair Work (Registered Organisations) Act 2009*. Also reference to the RAO Regulations should properly refer to *Fair Work (Registered Organisations) Regulations 2009*.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia

Email: kevin.donnellan@fwa.gov.au



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 2010**

I enclose a copy of the Auditor's Report, Accounts and Statements for the period ending 31 December 2010 in addition to all documents required under the Fair Work [Registered Organisations] Act 2009 [The RO Act].

Yours sincerely

PENNY GILMOUR
Secretary

28 March 2011

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 8 February 2011; in accordance with section 266 of the Fair Work [Registered Organisations] Act 2009.
- That the full report was provided to members via the Union website on 11 February 2011 and the Union's journal on 11 March 2011.
- That the full report was presented at a general meeting of members on 19 March 2011.

Signed:



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PENNY GILMOUR
Branch Secretary

Date: 28 March 2011

OPERATING REPORT 2010

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

Secretary's Overview 2010:

Every year seems to be busier than the last in the AEU – ACT Branch, and 2010 has been no different. In common with our members, the Union has been pursuing many different matters simultaneously! The capacity and preparedness of our members to contribute to the AEU's areas of focus as well as their own professional and personal pursuits is testimony to their commitment to ensuring that we continue to be a robust and representative body.

The major campaign focus was NAPLAN at the beginning of the year, and appears to be resources at its end. The Branch has also contributed submissions to – and appeared before – a range of ACT Legislative Assembly Enquiries, and in response to a number of DET activities and proposals this year. AEU officers have also continued to deal with a wide range of issues raised by members, involving both support and assistance for individuals, and advice and support for groups of 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.

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. The maintenance of our quality system is a matter of serious concern in the face of the implementation of a 1% [\$4m] budget cut, euphemistically called an "efficiency dividend"; but more of that later.

NAPLAN Dispute – "No to League Tables"

The AEU's concerns about the publication of narrow, simplistic League Tables in the wake of the launch of the MySchool website were realised when, in January, *The Canberra Times* was quick to produce one of the most egregious examples in the nation. A rank order of all schools in the ACT was produced, based solely on their NAPLAN scores, with no consideration for any other factors that contribute towards the creation of a successful school. There were few surprises in the rank order of schools, but those at the bottom of the list reported that there were a number of examples of parental concern, and unfair labelling of the students – or the school.

In the face of enormous pressure from the ACT Government and DET, and despite the significant threat of legal ramifications through Orders made under the Fair Work Act, AEU members stood firm in their resolve not to co-operate with the test. Industrial and/or professional disruption are always measures of last resort for teachers, and there was clearly collective relief when the Federal Government averted serious disruption by agreeing to some common-sense proposals about consultation that the AEU had been espousing for some months.

As the year draws to a close, the expert Working Party established by then Federal Education Minister Gillard has delivered its report to 15 October MCEECDYA meetings. Following a report that some matters at the meeting proved to be contentious, the ACT Branch emailed our own Minister Barr in these terms:

The AEU – ACT Branch congratulates you and your Ministerial colleagues on the position you took in support of the recommendations of the MySchool Working Party as they relate to the need to establish school context prior to the unfolding of NAPLAN data which is only one aspect of the life of a school – and only a small snapshot at that.

Noting that consideration of this matter appears not yet finalised, I encourage you to maintain this position and argue strongly for a speedy conclusion to this debate.

The AEU – ACT Branch welcomes the advent of some common ground on this matter; I hope that we may find more aspects of the MySchool/NAPLAN debate on which we can agree in the future!

As the Annual Report goes to press we await final decisions on revisions to the MySchool website. It is to be hoped that there are no attempts to undermine the successful and collaborative outcomes achieved by the Working Party.

Enterprise Agreements

This Enterprise Bargaining round for the ACTPS has been in train this year. With a small [but growing] contingent of members in non-teaching classifications, the AEU has been actively engaged in negotiations. After the usual protracted processes, it is anticipated that the ballot will be finalised shortly.

In DET and in CIT, preparations are underway for the commencement of a new bargaining round in 2011. With Agreements across most of the ACTPS – including the teaching workforce – having a common expiry date of 30 June 2011, it promises to be a lively year on the bargaining front. Claims are currently being prepared with a view to serving in both sectors prior to the end of 2010 so that bargaining can commence as early as possible in 2011.

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 with some Sub-Branched entirely unrepresented.

Membership numbers hover around 3100, and it is good that these figures remain consistent. Despite this situation, there is no room for complacency. AEU members need to work with the office in maintaining the recruitment effort. Every teacher or support staff member new to your workplace should be invited to join the AEU. It is only by maximising our membership numbers that the AEU can strong and effective representation of members, and truly be “the voice of the profession”.

AEU Awards

This year the AEU entered into sponsorship arrangements with Teachers Credit Union and Teachers Health, two of our long-time associates. Teachers Credit Union has taken up sponsorship of the AEU Public Education Award, which is now recognised with an impressive “trophy” and a monetary prize for the Award winner to use in support of their professional responsibilities.

In 2010, the Public Education Award recipient was Sue Billington, the AEU office Manager. Sue’s support of public education and her contribution to it is evident in 30 years of service to the AEU, its members and public education.

Teachers Health has taken up sponsorship of the AEU Reconciliation Award, now also recognised with a stunning glass “trophy”. This year’s AEU Reconciliation Award was presented to Birrigai @ Tidbinbilla.

Another “first” for 2010 were the joint functions conducted by the AEU and DET at which various awards were presented. The Public Education Awards function at the Hyatt Hotel was an enjoyable opportunity to recognise the work of colleagues and to relax and socialise a little. DET presented a number of awards in addition to the AEU’s presentation of the Public Education Award. A joint function at Majura Primary School was the setting for the presentation of the DET ATSI Collaboration Award and the AEU Reconciliation Award. In addition to these functions, an AEU Certificate of Appreciation recognising her long-term activism and commitment to the AEU was presented to retiree Robyn Craig as part of the DET Recognition of Service function.

It has been a positive experience to have a shared platform while making presentations that recognise the contribution and achievements of so many colleagues, and it has highlighted the AEU’s involvement in education as a participating partner and stakeholder.

Federal Funding Review

As the Annual Report goes to press, the final national campaign of this year is underway with the launch of the AEU's national Federal Funding Review campaign. Prior to its election in 2007, the Labor Opposition [now the Federal Government] committed itself to review the current unfair and flawed model through which Federal education dollars are distributed to government and non government schools, and despite a disappointing decision to extend the current arrangements for an extra year, the Review is now underway. This is the best opportunity in many years for public education to and its supporters to argue for a fairer, more transparent model of funding, and the AEU has embarked on a nationwide campaign to encourage every public school to make a submission to the Review. Apart from school submissions, there will also be AEU submissions at national and Territory level, as well as appearances before the Review panel.

Coming so close to the end of the year, it will be a challenge for schools to make the time to create and lodge a submission, but the ACT Branch will work with all of our schools to provide support and assistance to ensure that as many submissions as possible are put before the Review Committee.

Teacher Quality Institute

The ACT Teacher Quality Institute is expected to be officially launched in March 2011. The advent of the TQI will provide the ACT with its own teacher registration body, a provision long-contemplated in the only Australian jurisdiction without this function. The preparatory work has been years long, with substantial community consultation having occurred some time ago to ascertain the community view about an ACT teacher registration process. Arising from the ACT Government's decision to pursue this course, a Reference Group was drawn together with representatives from the 3 employers, 2 universities and 2 unions that work in the ACT school sector. The Reference Group has recently morphed into an Interim Board, with an Interim Chair now presiding as drafting of the legislation to create the Institute nears completion prior to consideration by the ACT Legislative Assembly.

Assuming the passage of the Legislation in this sitting session, the TQI is expected to begin registering new teachers from the commencement of 2011. Eventually all persons working as school-sector teachers in the ACT will be required to be registered, whether they work for public or private schools. At this stage there are no plans to extend registration to TAFE teachers, a situation that the AEU will continue to seek opportunities to address in the future.

Subject to satisfactory compliance with qualification and employment provisions, currently-employed teachers at the time the TQI is established are expected to be deemed registered, and to be exempted from fees for a minimum of 12 months.

Communications, Relationships and Politics

Constant changes in the educational landscape present some challenges to the maintenance of constructive communication between the AEU and other stakeholders, and this is clearly evidenced in the current poor relationship with the ACT Government. The reduction in opportunities to meet with the Minister, the Government's apparent decision to cease briefing the AEU ahead of policy announcements, and its apparent determination to ignore obligations around consultation and negotiation under the Enterprise Agreement all contribute to a difficult environment in which to conduct a sensible and constructive dialogue.

The fact that – in recent times - there have been few ACT Government actions in regard to education policy or changes that the AEU has believed are positive for the system has only exacerbated this difficulty.

The many changes of personnel occupying senior leadership positions in DET have presented their own challenges as both parties seek to understand each other's position and passion. DET implementation of policy positions and/or actions with which the AEU disagrees creates an interesting dynamic in the pursuit of strong and positive relationships.

There have been changes in CIT leadership as well; it is pleasing to note that while we may not always agree with each other, there is a new and more positive tone in the union's dealings with CIT.

Apart from managing the political and professional relationships with politicians and the employers, the AEU has also worked to maintain cordial, effective and constructive relationships with parent groups, colleague unions, and other stakeholder or interest groups engaged in the public education space. We will continue to meet the challenges encountered, believing that in the end there are generally more matters on which we can find some common ground than there are areas of implacable opposition.

Efficiency Dividend

The ACT Government's imposition of a 1% "efficiency dividend" on all agencies is a disaster for the education budget. Regardless of attempts to dress up the situation as something less dire, the fact is that the "efficiency" is actually a budget cut of \$4m, despite the fact that the overall budget has increased due to rising enrolments and a range of measures/policy commitments implemented by Government. The AEU supports the review of services and support to ensure the most efficient and effective delivery, but the system is now able to purchase \$4m less in resources than it could if there was no cut imposed. At a time when teacher workloads are at an all-time peak, and when the system already identified gaps in provision, cutting the central office support seems a strange logic.

Worse still is the knowledge that this is only the first round of cuts; unless Government revises its position, a further 1% cut will be imposed in 2011, with a final 0.5% cut in 2012. Based on 2010 figures where 1% = \$4m, this represents the removal of at least \$10m of resource capacity from the system in a 3-year period. The implications of this situation for future maintenance of quality public education are very serious. At the time of writing there is scant information about the practical reality of how the changes to service and support recently announced will actually play out on the ground; the likelihood is that schools will yet again be expected to maintain effort with fewer resources, or to take on additional responsibilities with no or insufficient additional resources.

It is interesting to contemplate what the 2011 Annual Report will be able to record in regard to the state of the system a year after the cuts have been implemented, and on the eve of the next tranche of budget reductions.

The AEU Office

There have been few personnel changes in the AEU office during 2010, and this stability has been a great benefit in another busy year. Despite the faces being familiar, there have been some changes to work arrangements. Our longest-serving administrative staff members, Sue Billington and Janet Anderson, have elected to take on part-time work arrangements. The AEU is very fortunate to have staff of their calibre and commitment, and it is to be hoped that a change of work pattern encourages both to remain actively working with the AEU for some time yet!!

Late in the year Peter Malone also elected to change to a part-time work pattern. This decision means that Peter's expertise is still available to the AEU, but the change has presented a valuable opportunity for Schools' Organiser Glenn Fowler to gain experience in Peter's role, and for Sue Amundsen to join the officer team as a part-time Organiser working Mondays and Fridays.

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].

There are no significant changes in the nature of the principal activities during the year.

There are no significant changes in the financial affairs during the year.

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

The AEU – ACT Branch had 3011 financial members at 31 December 2010; 1 full time officer and 10 other employees.

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



PENNY GILMOUR
Branch Secretary

Dated 28/3/2011

Australian Education Union – ACT Branch

BRANCH EXECUTIVE MEMBERS

[Committee of Management]

Officer	Position	Occupation
P. Gilmour	Secretary	Union Official
P. Rasmus	President	Teacher
R. Amey	Vice President (Schools)	Teacher
L. Read	Vice President (Schools)	Teacher
T. Dodimead	Vice President (TAFE)	Teacher
I. Bean	General Member	Teacher
J. Borton	General Member	Teacher
R. Byrne	General Member	Teacher
M. Chisholm	General Member	Teacher
J. Larkin	General Member	Teacher
C McAlister	General Member	Teacher
L. Read	General Member	Teacher
N. Leuning	Preschool Representative	Teacher
A. Blanckensee	TAFE Representative	TAFE Teacher

**AUSTRALIAN EDUCATION UNION
ACT BRANCH**

*General Purpose Financial Report
For The Year Ended 31 December 2010*

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 8/2/2011 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 2010.

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, and
 - (vii) there were no recovery of wages activities during the financial year.

For Committee of management:

Penelope Gilmour

Title of Office held:

Branch Secretary

Signature:



Date:

8/02/2011

AUSTRALIAN EDUCATION UNION - ACT BRANCH

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2010

2009	INCOME	2010
\$		\$
1,584,709	Members subscriptions	1,637,758
16,507	Interest on investments	44,271
5,966	Other income	2,741
34,611	Rent received	37,996
<u>1,641,793</u>	TOTAL INCOME	<u>1,722,765</u>
25,309	Affiliation fees & I.T.F. Subscriptions	26,806
27,591	Amortisation - leasehold buildings	19,745
27,153	Arbitration & campaign expenses	51,422
3,200	Audit & Accounting Costs	3,200
14,337	Bank fees & merchant fees	13,036
(2,800)	Provision for Doubtful Debts & Bad Debts	-
5,337	Cleaning	8,281
23,092	Computer Services & Data base Costs	23,910
7,360	Depreciation	5,353
5,109	Donations - general	4,636
4,477	Electricity	4,177
13,570	Meeting & conference expenses	8,141
19,330	Membership services & Training	4,414
14,906	Members Journey Insurance	14,921
96,086	Federal capitation fees	103,573
15,622	Newsletter Expenses	13,264
20,110	Insurance	22,296
2,015	Office equipment & Leases	2,994
54,866	Legal - annual retainer	55,742
2,332	Legislation reports & awards	1,942
4,145	Photocopying charges	4,018
14,089	Postage, staff recruitment & general expenses	9,161
9,434	Printing & stationery (Inc. year planner)	19,692
3,846	Professional development & training	10,802
19,396	Provision for annual leave	(7,392)
19,114	Provision for long service leave	23,134
28,463	Rates, taxes and body corporate fees	31,450
20,479	Repairs, maintenance & replacements	15,668
132,289	Salaries - officers	135,122
685,839	Salaries - other employees	718,448
111,312	Superannuation - general staff	119,856
18,845	- officers	19,408
15,963	Telephone & internet costs	14,196
3,077	Travel	2,126
50,380	Vehicle/car allowances expenses (including FBT)	43,330
3,201	Women's Budget	3,031
<u>1,521,473</u>	TOTAL EXPENSES	<u>1,549,904</u>
<u>120,320</u>	Operating surplus for year	<u>172,861</u>

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS

AUSTRALIAN EDUCATION UNION - ACT BRANCH

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

2009		NOTES	2010
\$			\$
	CURRENT ASSETS		
48,007	Cash at Bank		98,253
667,482	Cash on Deposit		821,268
21,269	Sundry Debtors and Prepayments		30,793
12,050	Members Welfare Loans	5	8,150
(2,000)	<u>Less: Provision for Doubtful Debts</u>		(2,000)
746,808	TOTAL CURRENT ASSETS		956,464
	NON CURRENT ASSETS		
969,299	Leasehold Property, Plant & Equipment	3	967,669
1,716,107	TOTAL ASSETS		1,924,133
	LESS CURRENT LIABILITIES		
65,969	Sundry Creditors		78,249
152,983	Provision for Staff Entitlements - general staff	6	151,169
43,145	- officers	6	43,255
57,058	Subscriptions Paid in Advance		64,201
319,155	TOTAL CURRENT LIABILITIES		336,874
	NON - CURRENT LIABILITIES		
10,145	Provision for Staff Entitlements	6	27,591
10,145	TOTAL NON-CURRENT LIABILITIES		27,591
329,300	TOTAL LIABILITIES		364,465
1,386,807	NET ASSETS		1,559,668
	Represented By:		
	Members Funds		
984,098	Balance as at 1 January 2010		1,104,418
282,389	Revaluation of Leasehold Land & Building Reserve		282,389
120,320	Add - Surplus/(Deficit) for Year		172,861
1,386,807	Balance as at 31 December 2010		1,559,668

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS

AUSTRALIAN EDUCATION UNION - ACT BRANCH

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2010

2009		2010
\$		\$
	CASH FLOW FROM OPERATING ACTIVITIES	
1,589,037	Receipts from Members	1,644,901
16,507	Interest received	44,271
40,577	Receipts - other persons	40,737
<u>(1,415,314)</u>	Payments to suppliers & employees	<u>(1,500,102)</u>
230,807	NET CASH PROVIDED BY OPERATIONS (Note 4(b))	229,807
	CASH FLOW FROM INVESTING & FINANCING ACTIVITIES	
-	Funds from/to other reporting Entities	-
-	Payments for Assets	(25,775)
<u>-</u>	NET CASH PROVIDED BY INVESTING & FINANCING	<u>(25,775)</u>
230,807	NET INCREASE/(DECREASE) IN CASH HELD	204,032
484,682	Cash at beginning of year	715,489
<u><u>715,489</u></u>	CASH AT END OF YEAR (Note4 (a))	<u><u>919,521</u></u>

STATEMENT IN CHANGE IN EQUITY

	General Account	Revaluation Account	Total
Balance at 1/1/09	984,098	282,389	1,266,487
Surplus for Year - 2009	<u>120,320</u>	-	<u>120,320</u>
Balance at 31/12/09	1,104,418	282,389	1,386,807
Surplus for Year - 2010	<u>172,861</u>	-	<u>172,861</u>
Balance at 31/12/10	<u><u>1,277,279</u></u>	<u><u>282,389</u></u>	<u><u>1,559,668</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 31 DECEMBER 2010

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 Fair Work (Registered Organisations) Act 2009 and associated Regulations 2009.

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 2010

NOTE 2 - INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, as amended, the attention of members is drawn to the provisions of Section 272 , 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

2009 Written Down Value		Cost	Accumulated Depreciation	2010 Written Down Value
\$		\$	\$	\$
282,389	Leasehold land & buildings- @Valuation -Net Increase			282,389
667,611	Leasehold land & buildings	994,473	(346,607)	647,866
3,050	Furniture & fittings	72,369	(69,546)	2,823
4,713	Office equipment	49,199	(23,837)	25,362
11,537	Motor vehicles	29,059	(19,829)	9,230
<u>969,299</u>	Total written down value	<u>1,145,099</u>	<u>(459,819)</u>	<u>967,669</u>

NOTE 4 - CASH FLOW INFORMATION

(a) Reconciliation of Cash	2010	2009
	\$	\$
Cash on hand	600	600
Cash at bank	97,653	47,407
Cash on deposit	821,268	667,482
	<u>919,521</u>	<u>715,489</u>

AUSTRALIAN EDUCATION UNION - ACT BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

NOTE 4 - CASH FLOW INFORMATION (continued)

(b) Reconciliation of Cash Flows from Operations	2010	2009
	\$	\$
Operating surplus/(deficit)	172,861	120,320
Add Back Non-Cash Items		
Amortisation	19,745	27,591
Depreciation	7,660	10,245
Increase/(decrease) in provisions	15,742	31,510
Total Non-Cash Items	<u>216,008</u>	<u>189,666</u>
Changes in Assets & Liabilities		
Decrease/(Increase) in Debtors, Prepayments & Members Loans	(5,624)	29,291
Increase(decrease) in Creditors, including Subs in Advance	19,423	11,850
Cash Flows from Operations	<u><u>229,807</u></u>	<u><u>230,807</u></u>

NOTE 5 - TEACHER WELFARE FUND

Summary of Transactions in the Teacher Welfare Fund

Balance of loans outstanding 1 January 2010	12,050	15,796
Loans made during the year	4,124	6,450
	<u>16,174</u>	<u>22,246</u>
Less: Loan repayments received	(8,024)	(5,996)
Loans written off	-	(4,200)
Balance of loans outstanding 31 December 2010	<u><u>8,150</u></u>	<u><u>12,050</u></u>

NOTE 6 - PROVISION FOR STAFF LEAVE ENTITLEMENTS

Current Liabilities

General Staff

Provision for Annual Leave	85,812	89,287
Provision for Long Service Leave	65,357	63,696
	<u>151,169</u>	<u>152,983</u>

Office Holder

Provision for Annual Leave	20,806	24,723
Provision for Long Service Leave	22,449	18,422
	<u>43,255</u>	<u>43,145</u>

Non Current Liability

Provision for Long Service Leave	<u>27,591</u>	<u>10,145</u>
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AUSTRALIAN EDUCATION UNION- ACT BRANCH

AUDITOR'S REPORT TO MEMBERS

I have audited the general purpose financial report which comprises the Income Statement, Balance Sheet, Statement of the Change in Equity, Cash Flow Statement, the Committee of Management Statement and accompanying Notes of the Australian Education Union- ACT Branch in respect of the year ended 31 December, 2010 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.

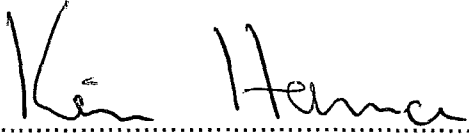
My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the accounts are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the accounts, and 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 the Fair Work (Registered Organisations) Act 2009 or part 3 of the Chapter 8 of the RAO schedule, 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.....10/2/11.....