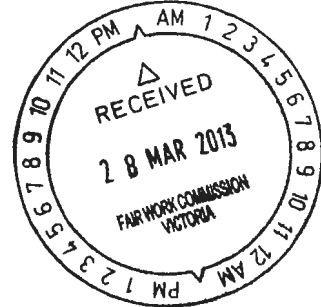




File Ref: B47

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



Dear Larry

**Australian Education Union – ACT Branch
Financial Return – Year Ending 31 December 2012**

I enclose a copy of the Auditor's Report, Accounts and Statements for the period ending 31 December 2012 as required under the Fair Work [Registered Organisations] Act 2009 [The RO Act].

Yours sincerely

**Glenn Fowler
Branch Secretary**

26 March 2013

Attachments

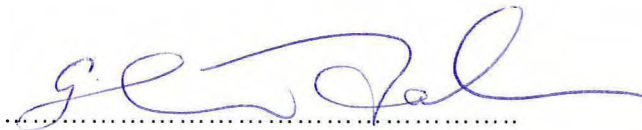
**DESIGNATED OFFICER'S CERTIFICATE OR OTHER
AUTHORISED OFFICER**

s268 of the Fair Work [Registered organisation] Act 2009

I, Glenn Richard Fowler, being the Secretary of the Australian Education Union – ACT Branch certify:

- That the documents sent to Fair Work Commission dated 26 March 2013 are copies of the full report referred to in s268 of the Fair Work [Registered Organisations] Act 2009.
- That the full report was presented to a meeting of the Committee of Management of the reporting unit on 12 February 2013; in accordance with s266 of the Fair Work [Registered Organisations] Act 2009;
- That the full report was provided to members via the Union website on 26 February 2013 and in the Union's journal in March 2013.
- That the full report was presented at a general meeting of members on 23 March 2013.

Signed:


.....
Glenn Richard Fowler

Date: 26 March 2013

OPERATING REPORT 2012

This report is prepared in accordance with the requirements of the Fair Work [Registered Organisations] Regulations 2009

Acting Secretary's Overview 2012

Once again the AEU - ACT Branch has been engaged in a number of campaigns at the ACT and national levels. Our members make our Union strong, and they have ably supported the Branch's campaigns through Executive, Council, TAFE Council and the general and TAFE memberships.

The year 2012 has provided numerous examples of what can be achieved collectively through our Union. Early in the year we saw the fruits of our bargaining efforts in 2011. For teachers at CIT and assistants in schools we saw the implementation of Enterprise Agreements which protect the working conditions of members and retain key clauses that had been threatened. Teachers in schools are enjoying the largest salary increases in more than a decade, and are seeing the roll out of measures that improve the working lives of teachers – first year teacher support, better school counsellor provision, and more. Soon we will have Executive Teachers [Professional Practice] in our schools and accelerated incremental progression for teachers not yet at the top of the scale. As the result of the recently completed principal structure review, we hope to see the complexity of schools and the work of principals better recognised. This is long overdue.

To date, our Schools Funding Campaign has been an enormous success. Courtesy of David Gonski's historic report, and thanks in part to AEU members who gave him the evidence he needed, public school champions like the AEU should no longer be required to make the case that our current school funding arrangements are broken, with the outcomes being both unfair and unwise. The national interest is suffering, and the Gonski Report gives us a blueprint for the future. The logic of Gonski's model is impenetrable, and the national government has thrown its weight behind it. Now we need the States and Territories to commit and, as we have before, we will ask every one of our members to do something small to make this happen.

It has been a challenging year for a number of our preschool teachers and assistants with the phasing in of the National Quality Framework. Together, we managed to see off the practice of unwanted "unannounced visits" to classrooms, a phenomenon which no other teacher is expected to encounter. This win is an excellent example of Union members working together to identify a problem and determine a strategy to solve it.

The persistence of members has also been seen in teacher-librarian [TL] members working collectively and strategically to increase understanding of their crucial role in schools. After meeting with AEU Officers to set goals and match them to strategies, we have seen TLs lobbying politicians, speaking to large groups of principals and having an opinion piece in *The Canberra Times*. Appreciation of their role has increased and, as a direct result, ACT Labor went to the recent Territory election with a policy designed to retain TLs in schools. Similar action has also been taken by school counsellors in recent times, and we are seeing other interest groups like English as an Additional Language or Dialect [EALD] teachers and school leaders agitating for positive change.

At the beginning of this year, the future of CIT was looking alarmingly unclear. A merger with UC had thankfully been rejected by the Government's Steering Committee, but the proposal to create a third institution in "UCIT" remained on the

table. In the public realm and behind closed doors, the AEU fiercely questioned the idea that the proposed benefits would outweigh the significant risks to CIT. By May, the proposal had been abandoned. Of course, that was not the only threat to the TAFE sector. Across the country, TAFE colleges and campuses are fighting for their very survival under cost-slashing state governments and a Federal Government that appears rather too unmoved by the looming carnage. TAFEs, including the CIT, will need the AEU as much as the AEU needs TAFE. In 2013, we must work together once again to build our TAFE membership [within permanent and casual ranks], increase our activism and fight hard for the future prosperity of our lighthouse public VET provider.

At the time of writing, only days after the 2012 ACT general election, it is clear that the ACT Greens will determine which major party governs the Territory for the next four years. By the time you read this, the outcome of the negotiations with Greens MLA Shane Rattenbury will be known.

The AEU did not envisage having to spend so much time talking about funding for public and private schools during this election period. The die was cast by the Canberra Liberals who joined their Federal colleagues in defying the national momentum and refusing to back the Gonski plan to fund students based on need. They announced a plan to boost funding for private schools, including those already making multi-million dollar annual profits and having no appetite to reduce student fees, by \$48 million over four years. Their pledges for public education were dwarfed by those of ACT Labor, which made significant announcements regarding capital upgrades, new facilities, specialist teachers and teacher support. For those who prioritise public education when they enter the polling booth, this election presented a clear choice. The AEU was heavily involved in the campaign period, commissioning a telephone poll of 400 ACT residents which received two days of free media and put public education well and truly on the election agenda. We cooperated with *The Canberra Times* in a story which set the Liberals' private school funding pledge alongside massive profits made by some of the schools. And we produced an election advertisement for page 3 of the newspaper only two days before polling day, which made it clear that, of the two major parties, Labor was promising significantly more for public education.

In 2012, the AEU responded to a number of Education and Training Directorate [ETD] initiatives and proposals, and 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.

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 and education support workforce.

Enterprise Agreements

Following in principle agreement across ETD [for teachers and assistants] and CIT in 2011, the Agreements were formally ratified in 2012. All salary increases were backdated to 2011 [1 October for ETD teachers, and 18 August for ETD assistants and CIT teachers].

Member Involvement in the Branch

This year has been another challenging one in terms of maintaining member involvement in the Branch. Most vacancies during the year have been filled without

contest, with a number of positions on Branch Council not filled at maximum entitlement and some Sub-Branched entirely unrepresented.

Membership numbers have increased slightly and are now in excess of 3300. A number of administrative initiatives of the membership officers and Executive Officer have enhanced membership and seen more members paying fees at the correct rate. But 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 a workplace should be invited to join the AEU. It is only by maximising our membership numbers that the AEU can continue to have strong and effective representation of members, and truly be "the voice of the profession".

AEU Awards

This year the AEU - ACT Branch enjoyed continued sponsorship arrangements with Teachers Mutual Bank [formerly Teachers Credit Union] and Teachers Health Fund, whilst re-invigorating sponsorship arrangements with ME Bank. Thanks must go also to First State Super and Maurice Blackburn Lawyers for their financial support of the AEU Public Education Awards function.

Teachers Mutual Bank sponsored the AEU Public Education Award, which is recognised with an impressive trophy and a monetary prize for the Award winner to use in support of their professional responsibilities. In 2012, the Public Education Award recipient was Lalangi Abhayapala of Latham Primary School. Lalangi received the praise of fellow AEU members for her efforts in building community networks and showcasing the excellence of public preschool students, particularly through art displays. A certificate of commendation was awarded to Nicole Mengel of Mount Rogers School.

ME Bank sponsored a new award, the Friend of Public Education Award, which is given to somebody who is not an AEU member but who makes a significant contribution to the cause of public education. The inaugural participant was Save Our Schools convenor Trevor Cobbold, who has argued for better recognition of the needs of public schools on the local and national stages for a number of years. Trevor is committed to evidence-based research and uses it powerfully to inform the debate and keep the pressure on governments to properly invest in public schooling. Trevor was presented with a trophy and monetary prize.

Teachers Health Fund continued their sponsorship of the AEU Reconciliation Award, recognised with a stunning glass trophy. At a function hosted by Melba Copland Secondary School, this year's AEU reconciliation Award was presented to Meredith Regan from Narrabundah Early Childhood School for her approach to working with Aboriginal and Torres Strait Islander families and children, and the inclusion of Indigenous perspectives within all of her teaching.

Unlike the functions of the previous two years, this year's Awards ceremony was conducted without ETD collaboration. This was of ETD's choosing. The CIT was very keen to retain its collaboration with the AEU and presented a number of its own awards on the night. The right balance was struck between formalities and informal socialising. The event also provided an excellent opportunity to showcase the work of CIT as the Territory's major public VET provider, since all of the music, catering, floral decorations and venue management took place in collaboration with the relevant staff and students at CIT.

The ACT Branch continues to achieve significant sponsorship as our contribution to the event, as well as providing support in kind through the work of the AEU Office in ticketing and preparing advertising for the function.

Next year is Canberra's Centenary and initial thought is being given to a "beefed up" event, with ideas such as a dinner in an auspicious venue, along with a high profile keynote speaker, being considered. The challenge will be to entice significant numbers of the general membership to the event.

Schools Funding Review

In February we saw David Gonski and his panel produce the long-awaited report into schools funding. The evidence is now in and it supports the case that has been made by the AEU and others for a number of years. The current funding arrangements are broken, and they are having a negative effect on the national interest. Gonski says that the need for change is "urgent". The report contains a model to better fund schools that is impenetrable in its logic, in that it is designed specifically to address student need. The bulk of Gonski's extra funding would flow to public schools, where disproportionate levels of need arise. The Federal Government's response to the report was disappointing in its prevarication. A number of forums were held over several months but a vacuum was unnecessarily created which was opportunistically filled by fear and misinformation from those who, due to their own narrow interests, support the status quo and all of the inequity that this represents. More than six months after the report's release, Prime Minister Julia Gillard addressed the National Press Club with her "Education Crusade" speech, which backed Gonski's recommendations but suggested a six-year transition period. She intends to have the funding arrangements with the States ironed out by the first Council of Australian Governments [COAG] meeting of 2013. Gonski left a number of questions unanswered in the report, and one of them involves the ACT, which has a historically high level of government investment but could still better address the complex needs of some students. We watch this space with interest.

School Autonomy or "Empowerment"

A survey conducted in September showed that there is significant concern within our membership, including our Principal and Deputy Principal leadership, regarding the ACT Government's intention to "empower" schools, particularly through the implementation of an average cost budget model at a local level. Members strongly suggested that they believe there are potentially far more negatives than positives in this approach to resourcing schools. Particular concerns include the effects on workload, financial management, staff morale, staff selection, permanency, and equity for staff and students across the system. Members do not believe greater financial autonomy will improve student outcomes, despite the rhetoric, and indeed this is supported by the international and national evidence. There was significant media interest in the AEU's survey results and a six-page feature appeared in the Spring edition of *Public Education Voice*. The AEU has been formally informed by ETD that the intended extension of the Empowerment model from the 23 trial schools to the remainder of the ACT's public schools will not occur as originally planned in 2013. This follows a recognition by ETD that the average cost budget model caused problems in some of the trial schools and has to be rethought. The Branch will monitor this situation very closely and continue to present the evidence, arguments and member concerns to decision-makers.

Communications, Relationships and Politics

Relations with the relatively new ACT Minister for Education and Training, Dr Chris Bourke, have been cordial and productive. There is no problem at all in obtaining access to the Minister and/or his staffers. This has contributed to fruitful outcomes in a number of policy areas, as outlined earlier in this Overview.

Relations with the Greens and the Canberra Liberals have also been productive, and we have appreciated the support of both parties on a number of issues. In the weeks and months following the final decision as to which party will govern the Territory, there will be the need to re-establish a relationship of trust with the Canberra Liberals in particular, who did not seek to involve us in any genuine way in the development of their election platform, and who announced a number of policies which run counter to the aims and priorities of our organisation.

Apart from managing 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.

The AEU Office

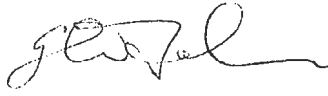
Thankfully, this year has been a relatively settled one with regard to administrative staff arrangements. Executive Officer Janet Anderson, Finance Officer Joelle Dulac, Membership Officers Michelle Kirby and Tracey Govan, and Receptionist/Administrative Officer "Corinne" Ying Zhang have continued in their roles. They have served us capably and loyally.

With regard to Officers, the landscape has been a fluctuating one. I have forgone my usual role of Schools Organiser/Assistant to the Secretary [Industrial] to act in the Branch Secretary role since early March. The role has been an enlightening and rewarding one. Assistant to the Secretary [Industrial] Peter Malone has increased from 0.6 to 0.8 to cater with the extra workload created by my move into the Secretary role. Cathy Smith has continued as Assistant to the Secretary [Professional] though she was on leave to study for most of first semester. Her absence was filled by Sascha Colley, who then reverted to a Schools Organiser role once Cathy returned from leave. When Sascha was acting up, the Schools organiser position was filled for most of the time by Sue Amundsen, who has worked with us on a number of occasions previously. Bill Book consistently filled the other Schools Organiser role. Mike Fitzgerald performed the role of TAFE/VETiS Organiser for three of the four terms, taking leave to travel during Term 3. For that period, Mark Hemmingsen from the CIT Skills Centre filled the void. It was positive to have new recruits such as Sascha and Mark assist us in building capacity.

With regard to personnel, the AEU office is likely to look rather different in 12 months time. Peter Malone, Bill Book and Janet Anderson have occupied crucial roles within the Union office for many years, and all are preparing to leave us during 2013. This will create voids, but also opportunities for others to step up and take their roles. Branch Executive has commenced a review of positions in the office and the outcomes of this should be known before the end of 2012. There has been recognition of the unsustainable workloads across the AEU office, as the number of challenges [and opportunities] facing public education increases.

I take this opportunity to place on record my thanks to the staff and officers of the AEU. As a unionist, it is perhaps paradoxical of me to recognise that each of these people go above and beyond their duty statements in dozens of ways on dozens of days – all in the service and defence of our members and the promotion of our cause. I extend my thanks to Branch Councillors for giving of their own time, and to the members of Branch Executive who are always on the end of the mobile phone or email to assist and advise as required. Finally, I thank and congratulate the

membership in general for their participation in the work of the AEU during the year. Members' support, activism and feedback are integral to the work of the AEU and its capacity to be the voice of public education in the ACT.

A handwritten signature in black ink, appearing to read 'Glenn Fowler', with a stylized, cursive script.

GLENN FOWLER
Branch Secretary

13 February 2013

Australian Education Union – ACT Branch

2013 COMMITTEE OF MANAGEMENT MEMBERS

The address for the Branch Executive Members is
40 Brisbane Avenue Barton, ACT 2600

G Fowler	Branch Secretary
L Read	Branch President
R Amey	Branch Vice President [Schools]
I Bean	Branch Vice President [Schools]
J Harris	Branch Vice President [TAFE]
T Greenwell	General Member Representative
K Shorland	General Member Representative
R Byrne	General Member Representative
D Stone	General Member Representative
M Chisholm	General Member Representative
D Hoogland	General Member Representative
S Gorman	General Membership Representative
N Leuning	Preschool Representative
P Curtis	Alternate Preschool Representative
P Douglas	TAFE Representative

AUSTRALIAN EDUCATION UNION
ACT BRANCH

*General Purpose Financial Report
For The Year Ended 31 December 2012*

AUSTRALIAN EDUCATION UNION - ACT BRANCH

COMMITTEE OF MANAGEMENT STATEMENT

On 12/2/2013 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 2012.

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 General Manager - Fair Work Australia
- (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 Fair Work (Registered Organisations) Act 2009 and the RO Regulations, and
 - (iv) reports done on a single reporting unit basis; and that 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.
 - (v) there has been no requests by any member or the Registrar that required a report under Section 272 of the Fair Work (Registered Organisations) Act 2009. (RO)
 - (vi) no orders have been made by the Commission under section 273 of the RO. Schedule during the period, and
 - (vii) there were no recovery of wages activities during the financial year.

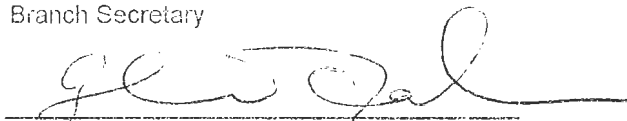
For Committee of management:

Glenn Fowler

Title of Office held:

Branch Secretary

Signature:



Date:

13/2/2013

AUSTRALIAN EDUCATION UNION - ACT BRANCH

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2012

2011	INCOME	2012
\$		\$
1,728,345	Members subscriptions	1,879,058
48,894	Interest on investments	43,734
2,139	Other income	776
27,867	Rent received	-
1,807,244	TOTAL INCOME	1,923,567
27,275	Affiliation fees & I.T.F. Subscriptions	28,247
15,900	Amortisation - leasehold buildings	15,900
89,274	Arbitration & campaign expenses	55,237
3,200	Audit & Accounting Costs	3,200
12,151	Bank fees & merchant fees	11,392
8,123	Cleaning	8,921
24,462	Computer Services & Data base Costs	25,321
8,929	Depreciation	10,804
5,179	Donations - general	3,245
3,646	Electricity	4,064
7,625	Meeting & conference expenses	18,422
20,106	Membership services ,Training & Website Costs	5,401
15,012	Members Journey Insurance	15,235
75,846	Federal capitation fees	79,071
29,981	Other Federal Office Levies & Contributions	29,616
16,383	Newsletter Expenses	23,326
25,113	Insurance	38,617
2,994	Office equipment & Leases	2,994
57,664	Legal - annual retainer	29,408
980	Legislation reports & awards	1,153
5,509	Photocopying charges	2,293
11,421	Postage,staff recruitment & general expenses	13,818
16,599	Printing & stationery (Inc. year planner)	16,578
9,260	Professional development & training	9,087
(3,930)	Provision for annual leave	(17,575)
10,009	Provision for long service leave	(20,151)
35,350	Rates, taxes and body corporate fees	38,350
12,343	Repairs, maintenance & replacements	8,509
134,259	Salaries - officers	166,461
788,211	Salaries - other employees	944,201
130,169	Superannuation -general staff	153,729
19,882	- officers	16,042
12,459	Telephone & internet costs	14,166
1,516	Travel	2,878
37,760	Vehicle/car allowances expenses	23,423
2,907	Women's Budget	4,797
1,673,567	TOTAL EXPENSES	1,786,180
133,677	Operating surplus for year	137,387

AUSTRALIAN EDUCATION UNION - ACT BRANCH

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

2011		NOTES	2012
\$			\$
	CURRENT ASSETS		
261,805	Cash at Bank		164,393
910,099	Cash on Deposit		1,004,533
30,003	Sundry Debtors and Prepayments		39,272
2,983	Members Welfare Loans	5	8,990
1,204,890	TOTAL CURRENT ASSETS		1,217,188
	NON CURRENT ASSETS		
943,054	Leasehold Property, Plant & Equipment	3	922,799
2,147,944	TOTAL ASSETS		2,139,987
	LESS CURRENT LIABILITIES		
177,142	Sundry Creditors		85,083
164,467	Provision for Staff Entitlements - general staff	6	154,361
46,535	- officers	6	-
49,362	Subscriptions Paid in Advance		33,804
437,506	TOTAL CURRENT LIABILITIES		273,248
	NON - CURRENT LIABILITIES		
17,092	Provision for Staff Entitlements	6	36,007
17,092	TOTAL NON-CURRENT LIABILITIES		36,007
454,598	TOTAL LIABILITIES		309,255
1,693,345	NET ASSETS		1,830,732
	<i>Represented By:</i>		
	Members Funds		
1,277,279	Balance as at 1 January 2012		1,410,956
282,389	Revaluation of Leasehold Land & Building Reserve		282,389
133,677	Add - Surplus/(Deficit) for Year		137,387
1,693,345	Balance as at 31 December 2012		1,830,732

AUSTRALIAN EDUCATION UNION - ACT BRANCH

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012

2011		2012
\$		\$
	CASH FLOW FROM OPERATING ACTIVITIES	
1,743,184	Receipts from Members	1,863,500
48,894	Interest received	43,734
30,005	Receipts - other persons	-
(1,447,516)	Payments to suppliers & employees	(1,784,613)
(120,601)	Funds from/to other reporting Entities	(119,924)
253,966	NET CASH PROVIDED BY OPERATIONS (Note 4(b))	2,697
	CASH FLOW FROM INVESTING & FINANCING ACTIVITIES	
(6,583)	Payments for Assets	(9,310)
5,000	Proceeds from sale of Assets	3,635
(1,583)	NET CASH PROVIDED BY INVESTING & FINANCING	(5,675)
252,383	NET INCREASE/(DECREASE) IN CASH HELD	(2,978)
919,521	Cash at beginning of year	1,171,904
1,171,904	CASH AT END OF YEAR (Note4 (a))	1,168,926

STATEMENT IN CHANGE IN EQUITY

	General Account	Revaluation Account	Total
Balance at 31/12/10	1,277,279	282,389	1,559,668
Surplus for Year - 2011	133,677	-	133,677
Balance at 31/12/11	1,410,956	282,389	1,693,345
Surplus for Year - 2012	137,387		137,387
Balance at 31/12/12	1,548,343	282,389	1,830,732

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 2012

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 2012**

NOTE 2 - INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER

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 reporting unit, or a 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) The reporting unit must comply with an application made under subsection (1)

This subsection is a civil penalty provision (See Section 305)

NOTE 3 - LEASEHOLD PROPERTY, PLANT & EQUIPMENT

2011 Written Down Value		Cost	Accumulated Depreciation	2012 Written Down Value
\$		\$	\$	\$
282,389	Leasehold land & buildings- @Valuation -Net Increase			282,389
631,966	Leasehold land & buildings	994,473	(378,407)	616,066
2,600	Furniture & fittings	74,864	(70,023)	4,841
23,239	Office equipment	43,439	(23,935)	19,504
2,861	Motor vehicles	-	-	-
943,054	Total written down value	1,112,775	(472,365)	922,799

NOTE 4 - CASH FLOW INFORMATION

(a) Reconciliation of Cash	2012	2011
	\$	\$
Cash on hand	600	600
Cash at bank	163,793	261,205
Cash on deposit	1,004,533	910,099
	1,168,926	1,171,904

AUSTRALIAN EDUCATION UNION - ACT BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 4 - CASH FLOW INFORMATION (continued)

2011	(b) Reconciliation of Cash Flows from Operations	2012
\$		\$
133,677	Operating surplus/(deficit)	137,387
	Add Back Non-Cash Items	
15,900	Amortisation	15,900
10,298	Depreciation	10,804
6,079	Increase/(decrease) in provisions	(37,726)
-	Gain on sale of Assets	(775)
165,954	Total Non-Cash Items	125,590
	Changes in Assets & Liabilities	
3,957	Decrease/(Increase) in Debtors, Prepayments & Members Loans	(15,276)
84,054	Increase(decrease) in Creditors, including Subs in Advance	(107,617)
253,966	Cash Flows from Operations	2,697

NOTE 5 - TEACHER WELFARE FUND

Summary of Transactions in the Teacher Welfare Fund

8,150	Balance of loans outstanding 1 January 2012	2,983
4,540	Loans made during the year	8,400
12,690		11,383
(7,607)	Less: Loan repayments received	(2,393)
(2,100)	Loans written off	-
2,983	Balance of loans outstanding 31 December 2012	8,990

NOTE 6 - PROVISION FOR STAFF LEAVE ENTITLEMENTS

Current Liabilities

General Staff

82,640	Provision for Annual Leave	85,113
81,827	Provision for Long Service Leave	69,248
164,467		154,361

Office Holder

20,048	Provision for Annual Leave	-
26,487	Provision for Long Service Leave	-
46,535		-

Non Current Liability

17,092	Provision for Long Service Leave	36,007
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AUSTRALIAN EDUCATION UNION- ACT BRANCH

AUDITOR'S REPORT TO MEMBERS of the REPORTING UNIT

I have audited the general purpose financial report which comprises the Statement of Financial Performance, Statement of Financial Position, 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, 2012 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.

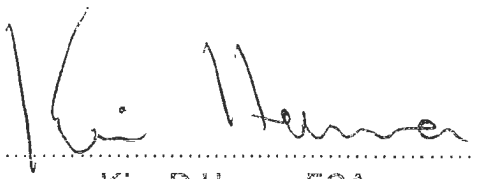
My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the accounts are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the accounts, and 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 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..... 13/2/13