



8 September 2014

Mr Glenn Fowler  
Branch Secretary  
ACT Branch  
Australian Education Union  
[glenn.fowler@aeuact.org.au](mailto:glenn.fowler@aeuact.org.au)

CC: Lauren McKee, Business Manager by email: [lauren.mckee@aeuact.org.au](mailto:lauren.mckee@aeuact.org.au)  
CC: Kim Hanna by email: [kim@khanna.com.au](mailto:kim@khanna.com.au)

Dear Mr Fowler,

**Australian Education Union ACT Branch  
Financial Report for the year ended 31 December 2013 - [FR2013/488]**

I acknowledge receipt of the financial report of the Australian Education Union ACT Branch. The documents were lodged with the Fair Work Commission on 14 August 2014.

Further documentation was received from the Branch on 27 and 29 August 2014.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

The financial report for the year ending 31 December 2014 will be subject to an advanced compliance review. An advanced compliance review confirms compliance with the legislative timeframes, the reporting guidelines, the relevant sections of the legislation and the relevant Australian Accounting Standards. An advanced compliance review examines all aspects of a reporting unit's financial report.

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. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

**Missing Documents**

The financial report was lodged without a Designated Officer's Certificate or Operating Report. Both documents were supplied promptly upon request. However, both documents were dated 27 August 2014. This would seem to indicate that the Operating Report was not provided to members. Section 265 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act) defines the 'full report' to include the report of the auditor, the general purpose financial report and the operating report. Section 265 requires that the full report, including the operating report, is provided to members.

Provision of the Operating Report to members within the legislative timeframes will be confirmed prior to filing next year's report.

### **Timescale requirements**

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the Fair Work Commission website. In particular, I draw your attention to *Financial reporting process and timelines* which explains the timeline requirements, and a Diagrammatic summary of financial reporting timelines which sets out the timeline requirements in diagrammatical form.

I note that the following timescale requirements were not met:

#### Documents must be lodged with the Fair Work Commission within 14 days of General Meeting

Section 268 of the RO Act, states that the full report and the designated officer's certificate are required to be lodged with the Fair Work Commission within 14 days of the meeting of members. The Designated Officer's Certificate indicates that this meeting occurred on 22 March 2014. If this is correct the full report should have been lodged with the Fair Work Commission by 5 April 2014.

The full report was lodged on 14 August 2014.

Please note that in future financial years, if the organisation is unable to comply with this requirement, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made.

#### Reports must be provided to Members at least 21 days before the General Meeting of Members

The designated officer's certificate states that the financial report was provided to members on 28 March 2014, and presented to a general meeting of members on 22 March 2014. Under section 265(5)(a) of the RO Act, where the report is presented to a general meeting of members, the report must be provided to members at least 21 days before that meeting.

If these dates are correct, the reporting unit only provided members the financial report 5 days AFTER the general meeting.

Please note that subsection 265(5) is a civil penalty provision and future failure to meet this timelines may result in an inquiry into the organisation and the General Manager of the FWC may apply under s.310(1) of the RO Act to the Federal Court of Australia for a pecuniary penalty order to be imposed on your organisation and, potentially, an officer whose conduct led to the non-compliance.

### **Operating Report**

I note that the Operating Report, which was supplied on 27 August 2014, did not appear to satisfy the requirements of the RO Act and the Reporting Guidelines.

An Operating Report must be signed and dated by the officer preparing the report and must include the following information:

- The number of members in the branch;
- The number of employees of the branch listed as a full time equivalent figure;
- The list of committee members who have held office at any time during the financial year and the duration that each officer held office during the financial year;
- The number of officers or members who are either trustees of a superannuation scheme or a director of a company that is a trustee of a superannuation scheme where a criterion is to be a member or officer of the organisation (or a statement that there were none);
- A statement as to whether there have been any significant changes in the principal activities;

- A second statement as to whether there have been any significant changes in the financial affairs of the branch; and
- The details of the right of members to resign, for instance a reference to the relevant rule.

These requirements stem from section 254 of the RO Act, regulation 159 of the *Fair Work (Registered Organisations) Regulations 2009* and the reporting guidelines. If you require further information in order to comply with these requirements please contact the Regulatory Compliance Branch.

### **Auditor's report: declaration regarding going concern**

Paragraph 45 of the reporting guidelines requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included in the auditor's statements.

### **Activities under Reporting Guideline not disclosed**

Item 22 of the Reporting Guidelines states that if the activities identified in items(s) 21(c) and 21(d), being provisions for employee and officer separation and redundancy and other employee provisions, have not occurred in the reporting period, a statement of this effect must be included in the notes to the GPFR. I note that in Note 6, Provision for staff leave entitlements, no such disclosure has been made for employee and officer provisions relating to separation and redundancies, and other employee provisions.

### **Changes to the reporting guidelines and model financial statement**

A fourth edition of the General Manager's s.253 Reporting Guidelines was gazetted on 13 June 2014. These guidelines will apply to all financial reports that end on or after 30 June 2014. A model set of financial statements for the 2013-2014 financial year is also available on the Fair Work Commission website. The Fair Work Commission recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards.

The Reporting Guidelines and Model Financial Statements are available on the website here: <https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at [catherine.bebbington@fwc.gov.au](mailto:catherine.bebbington@fwc.gov.au).

Yours sincerely



**CATHERINE BEBBINGTON**  
Regulatory Compliance Branch

### **FAIR WORK COMMISSION**

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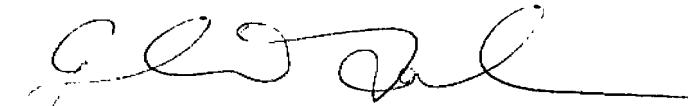
**DESIGNATED OFFICER'S CERTIFICATE OR OTHER  
AUTHORISED OFFICER**

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 27 August 2014 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 25 February 2014; 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 28 March 2014 and emailed to all members on 10 April 2014.
- That the full report was presented at a general meeting of members on 22 March 2014.

**Signed:**

  
.....  
**Glenn Richard Fowler**

**Date:** 27 August 2014

# **OPERATING REPORT 2013**

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

The Australian Education Union - 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.

This year was a tumultuous one in the area of school funding reform. At various stages, and with some optimism, it appeared that we may have arrived at the position where the reforms became embedded in the Australian educational landscape. The ACT joined five states in signing Gonski deals with the Commonwealth prior to the caretaker period brought on by the 2013 federal election. Unfortunately, the recalcitrance of the three LNP leaders in Queensland, Northern Territory and Western Australia, along with the duplicitous and opportunistic behaviour of the Federal Coalition, has made the prospect of broad national reform somewhat uncertain at the time of writing. The AEU-led campaign saw the Coalition claim during the election campaign that it is on a "unity ticket" with Labor on schools funding. This is demonstrably untrue as their commitment for the five "sign-up" jurisdictions is for the first four years and therefore only 28% of the additional money, and they have pulled all additional Commonwealth money from the 3 "hold-out" states. These facts were made clear through a coordinated AEU campaign during the election period. The task now is to put enormous pressure on the Coalition to fund the fifth year as part of their 2014 budget and to convince the three hold-out leaders that seeking a deal with the Commonwealth is in the interests of the children in their jurisdictions.

School autonomy/empowerment continues to be a movable feast. A lot of energy is being expended on school governance issues which have been shown to have little if any positive impact of students' educational outcomes. The number of ACT schools participating in the "empowerment" trial dropped from 23 to 8 in 2013. The Gonski sign-up has created extra challenges for ETD in trying to bed down a budget model that encompasses the goals of so-called empowerment and remains true to the Gonski principles centering around student

need. The AEU expects that this landscape will be unclear for some time, and continues to receive briefings from the Director-General regarding progress on the modelling and trialling. Meanwhile we see the autonomy/choice agenda wreaking havoc on public schooling provision in other parts of the world such as the UK and the US. The AEU will need convincing that this agenda isn't one of Michael Fullan's "wrong drivers".

One misguided and potentially damaging national program that collapsed this year under the weight of significant AEU pressure was "Rewards For Great Teachers". One-off crude bonuses are more trouble than they are worth, especially when there are major equity issues with the application process. The issue of the certification of Highly Accomplished and Lead Teachers remains problematic as long as teachers are expected to pay their own application fee of \$1300. We know that some private schools will be paying this on behalf of their teachers in order to enhance the perceived value of their "product". This matter is likely to be contested industrially, and it will be in the employer's interest to do so if it wants to maintain the "competitiveness" of its system. Unless addressed, this stumbling block is likely to cripple the whole process.

An issue that occupied much local media space this year was the ACT Government's decision to provide in-principle approval to a number of private schools in the ACT. The lack of public notification was the first of a number of objections the AEU raised and, under Minister Joy Burch's direction, ETD has moved to improve its internal processes in this regard. The AEU contends, however, that changes will only be piecemeal unless the Education Act is amended to deal with numerous legitimate concerns raised by us and other groups. To her credit, the Minister has established a review panel to determine what changes are required to ensure that applications to create new schools are diligently scrutinised and that criteria are genuinely met. This is important for the future of public schooling in the Territory, for which our government has a primary responsibility.

Having emerged from a difficult 2012 where it avoided being part of a "University of Canberra Institute of Technology (UCIT)" hybrid and where it had to comply with a Worksafe Improvement Notice and Ministerial order, CIT has again had its challenges in 2013. In September, the Commissioner of Public Administration released his report into "Managing

People and Resolving Workplace Issues” at CIT. The Report contends that whilst CIT is far from broken, the Institute exhibited clear deficiencies in the way it handled complaints in the workplace. Public and personal apologies have been made to a number of our members who bravely presented their case to the Commissioner. Progress is being made by CIT in providing an environment for staff where they can have confidence that issues will be addressed promptly, fairly and compassionately. There is more work to do, and the CIT has shown a genuine willingness to work closely with the AEU to ensure that this opportunity to adopt best practice is not lost. Both parties are united in their goal of seeing CIT thrive as a flagship of public education provision, albeit in a worrying national landscape dominated by market ideology and state government funding cuts.

In 2013 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**

Agreements for CIT teachers and School Assistants expired on 30 June 2013. At the time of writing, both groups continue to bargain.

Negotiations with CIT are progressing quite well with a focus on workload. The AEU is emphasising that innovative thinking is required to meet the twin goals of growing CIT’s business and treating its staff fairly.

The AEU is a presence in bargaining for School Assistants like never before. The Common Core bargaining is coming to an end, but the ETD-specific section will be the subject of much more discussion as the AEU seeks genuine improvements in terms of classifications, recognition of qualifications, professional development, increased preparation time and conversion to permanency. The AEU continues to argue that school assistants should have

their own agreement and not be captured with the ACT-wide clerical or administrative stream. After an initial offer of a 2% salary increase, AEU bargaining has resulted in School Assistants now being offered an first-year salary boost of between 4.51% and 3.34%, back paid to 1 July 2013.

Member consultation has begun for the ETD Teachers Agreement which will be bargained in 2014.

### **The Move to True Organising**

The 2012 office restructure gave the Branch the opportunity to think seriously about the best ways to further engage members so that Sub-Branches are highly functional, vibrant and resilient collectives.

Chris Hodgson was recruited to become our first Lead Organiser tasked with building the union and growing the activism of existing members. Chris and the industrial staff, whose work he oversees and directs, implemented a number of strategies to grow Sub-Branch leader networks and build the capacity of Sub-Branches to manage local issues. The benefit of this is only starting to be seen but in the near future we expect organisers to do less one-on-one case management and be freed up to work across Sub-Branches supporting local collectives. We expect them to be more heavily focused on building the Union through detailed mapping and targeted recruitment. The organising model will move into more exciting phases in 2014 now that a cultural shift has been embedded in the operations of industrial staff.

Another initiative was to employ Therese Tonna in the role of School Assistants Coordinator for the second half of the year. Working with Chris, Therese employed classic organising strategies in building networks of activists, using particularly the current Enterprise Agreement campaign to recruit and energise School Assistants. This group of workers in schools had been covered by the AEU since 2007, yet at the time of Therese's appointment we had a little over 70 members. Therese worked to more than double that figure in the first thirteen weeks and we expect to have over 200 School Assistant members by year's end. Our new members are getting a real taste for what can be achieved through collective action and new activists are emerging every week.



Overall, membership numbers have increased to be in excess of 3320. We expect this to rise substantially in 2014 as teachers across the Territory find themselves in the throes of an Enterprise Agreement campaign. A number of administrative initiatives of the membership team begun in 2012 have enhanced membership and seen more members paying fees at the correct rate. But there is no room for complacency. AEU members in workplaces need to work with the industrial staff to enhance 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”.

### **Public Education Centenary Dinner and AEU Awards**

Enhanced sponsorship arrangements with Teachers Health Fund, Teachers Mutual Bank, ME Bank and First State Super, along with the continued support of Typeyard Design and brand new sponsorship arrangements with Slater & Gordon Lawyers and Gow Gates Insurance allowed us to hold a bigger, bolder and ultimately highly successful Public Education Week dinner function at the newly refurbished National Press Club. Ticket prices were kept low (only \$40 for pre-dinner nibbles, drinks, two sit-down courses and entertainment) and this maximised member interest. All 280 seats were filled very quickly. Part of the appeal was undoubtedly the quality of both our keynote speaker The Hon. Michael Kirby and our MC Corinne Grant, neither of whom we would have had without the generosity of our sponsors and partners. Both drawcards performed magnificently on the night and the feedback was universally positive. Our appetite has been whet for the 2014 event which will be of a similar magnitude and will once again feature household names as the talent. This dinner is set to be an important annual rallying point for our core constituents and a diary highlight for relevant VIPs.

The relationship with CIT in collaborating on and contributing to this event is duly recognised. On the night, CIT handed out a number of its own awards, just after the AEU presented its two major awards.

Teachers Mutual Bank once again generously sponsored the AEU Public Education Award, which is recognised with an impressive trophy and a monetary prize for the Award winner or winners. In 2013, the Public Education Award was shared between CIT members Andrew Blanckensee, Janet Harris and Moir Holmes for their years of activism and support of the CIT membership.

Once again ME Bank sponsored the Friend of Public Education Award which is given to somebody who is not eligible for AEU membership but who makes a significant contribution to the cause of public education. This year's winners were researcher Barbara Preston for her highly valuable research into the impacts of government policy on the residualisation of public schooling, and Aboriginal musician and artist Duncan Smith for the quality of his work with public school students over many years. Both recipients were presented with a trophy and monetary prize.

Teachers Health Fund continued its sponsorship of the AEU Reconciliation Award, recognised with a stunning trophy. At a function hosted by Narrabundah Early Childhood School, at which Minister Joy Burch spoke, this year's AEU Reconciliation Award was presented to teacher-librarian Jennifer Holland for her pro-active work as Aboriginal and Torres Strait Islander Education Officer.

### **Communications, Relationships and Politics**

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 is so often the voice for the advancement and defence of public education. We seek to proactively engage the community through local media when an issue arises that is of great consequence to our membership. Some examples of media campaigns in 2013 are

the issue of the reporting of critical incidents in schools, the questionable granting of in-principle approval to a number of private schools, and of course the ACT's Gonski sign-up.

### **Governance**

Like all branches of all unions across the country, our Branch has been required to comply with the federal Labour Government's legislation pertaining to unions as registered organisations. This year's Branch budget included funding for a consultancy provided by former AEU staff member Peter Malone, and Peter was tasked with advising and guiding the Union through this change process. As a result, Council endorsed a series of rule changes, some of which were required by the new legislation and others that were not required but were viewed as being in the interests of the Union. At time of writing, we are waiting on the final approval of these rule changes by Fair Work Australia. Peter also worked to create a Branch policy manual containing 60 new policies relating to the operations of the Branch. Some of these were created from scratch, whilst others are consolidations of policies which have existed in other forms, or have simply been custom and practice. At time of writing, Branch Executive has approved 36 of the policies and will shortly consider the remaining 24. The heightened expectations placed on unions have given us the opportunity to complete this valuable work and we are of the firm view that our Branch policies represent best practice in union governance. Changes to legislation also require all union decision-makers (Executive members and Councillors) to complete a one-day course in financial management. The Branch will roll out this training using a train-the-trainer model in the first half of 2014. I have received the day's training, as has Industrial Officer Garrett Purtill.

### **The AEU Office**

This year has been a relatively settled one with regard to administrative staff arrangements. 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 continued to serve members capably and loyally. After thirty years working in the Branch office, Janet Anderson retired from her position as Executive Officer. An honorary life member, Janet has made life easier for literally thousands of our members of her period of employment, and she will be missed. Under last year's restructure, a replacement position of Business Manager was created with increased responsibility. Since September,

this position has been filled by Lauren McKee, who was an outstanding applicant and has adapted well since joining the AEU team. Currently, a whole range of administrative efficiencies are being implemented and processes are being streamlined.

Compared to last year, 2013 has been a year of relative stability with regard to the industrial staff. Industrial Officer Garrett Purtill, Professional and Women's Officer Sascha Colley, Schools Organisers Kate Reynolds and Sue Amundsen, TAFE/VETiS Organiser Mike Fitzgerald and I as Branch Secretary have been in positions for the entire year or the best part of it. There has, however, been some flux in the role of Lead Organiser, which was created as a key part of the office restructure. The first successful applicant ended up declining the position, and after a second round of advertising, the AEU was very pleased to appoint Chris Hodgson to the role. Unfortunately, Chris has announced that he will be returning to Queensland some time before the end of the year. He will be replaced by a previous high quality applicant, Andy Jennings from the UK. Under Chris, the Branch has started to put in place a truer model of organising. It has been a good start, and I have no doubt that Andy Jennings will have the capacity to pick up where Chris leaves off, and implement the model in its entirety. The organising model is chiefly about recruiting, activating and engaging members at the local level so that, with the guidance of our industrial staff, members at the local level can achieve wins and experience the power of collective action. This takes union staff away from the temptation to be case managers and responders to individual member crises. This member servicing role will never disappear completely, but the aim is to train local activists to provide high level support at the workplace, and to use the Sub-Branch effectively.

This Union continues to maintain a high profile and to achieve wins for its members. Member numbers continue to grow, and the Branch intends to continue channelling the extra revenue into carefully considered roles that support our members. From mid-year, the Branch has employed Therese Tonna as our School Assistant Coordinator. The success of Therese and the initiative itself has seen Executive determine to extend the project until the same time next year. Other ways of supporting our School Assistant members are being considered for the period after the project ends. In the relatively short amount of time Therese has been with us, our School Assistant member numbers have more than doubled.

But there remain hundreds of School Assistants who are not members of any union, and the AEU will continue to make recruiting them to the Union a priority.

Another project in which the Union invested was the six-month employment of member Tom Greenwell as the Digital Media Project Officer. Tom is driving the Branch's transition into cutting edge online communication, campaigning and member engagement. He is also running our weekly communications schedule and has opened our eyes to the possibilities that online activism brings. Once the power of online organising is realised, it is impossible to go back. We work, and will continue to work, differently as the result of Tom being with us.

Other than Janet Anderson's farewell, the Branch also said goodbye to School Organiser Bill Book, Assistant to the Secretary (Industrial) Peter Malone and, very late in 2012, Assistant to the Secretary (Professional) Cathy Smith. All had served members for a number of years, and always with skill, integrity and passion. These people are great unionists and have left indelible marks on the history of the AEU ACT Branch.

I take this opportunity to place on record my thanks and congratulations to the staff and officers of the AEU. 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.

**GLENN FOWLER**  
**Branch Secretary**

27 August 2014

**Australian Education Union – ACT Branch**  
**2014 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]
G Lawson	Branch Vice President [TAFE]
R Byrne	General Member Representative
T Carroll	General Member Representative
M Chisholm	General Member Representative
P Judge	General Member Representative
A Kingma	General Member Representative
D Wentworth-Perry	General Member Representative
F Stevenson	General Membership Representative
N Leuning	Preschool Representative
P Curtis	Alternate Preschool Representative
J Harris	TAFE Representative
M Hemmingsen	Alternative TAFE Representative

**AUSTRALIAN EDUCATION UNION  
ACT BRANCH**

*General Purpose Financial Report  
For The Year Ended 31 December 2013*

## AUSTRALIAN EDUCATION UNION - ACT BRANCH

### COMMITTEE OF MANAGEMENT STATEMENT

On 26/2/2014 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 2013.

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 Commission
- (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.

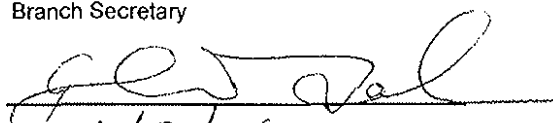
For Committee of management:

Glenn Fowler

Title of Office held:

Branch Secretary

Signature:

  
14/3/14

Date:



# AUSTRALIAN EDUCATION UNION - ACT BRANCH

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2013

2012		2013
\$	INCOME	\$
1,879,058	Members subscriptions	1,934,823
43,734	Interest on investments	43,876
776	Other income	-
-	Rent received	40,037
<u>1,923,567</u>	<b>TOTAL INCOME</b>	<u>2,018,736</u>
28,247	Affiliation fees & I.T.F. Subscriptions ( Non AEU Fed' office)	28,982
15,900	Amortisation - leasehold buildings	15,900
55,237	Arbitration & campaign expenses	67,967
3,200	Audit & Accounting Costs	3,100
11,392	Bank fees & merchant fees	10,523
8,921	Cleaning	10,404
25,321	Computer Services & Data base Costs	27,909
-	Consultancy Fees	24,787
10,804	Depreciation	15,523
3,245	Donations - general	4,032
4,064	Electricity	4,205
21,300	Meeting & conference expenses	18,885
5,401	Membership services ,Training & Website Costs	6,357
15,235	Members Journey Insurance	15,906
79,071	Federal capitation fees	89,392
29,616	Other Federal Office Levies & Contributions	35,140
23,326	Newsletter Expenses	21,871
38,617	Insurance	36,157
2,994	Office equipment & Leases	9,977
29,408	Legal - annual retainer	2,500
2,293	Photocopying charges	3,320
13,818	Postage,staff recruitment & general expenses	21,260
17,731	Printing & stationery (Inc. year planner)	12,605
9,087	Professional development & training	18,668
(17,575)	Provision for annual leave	(21,349)
(20,151)	Provision for long service leave	(1,949)
38,350	Rates, taxes and body corporate fees	44,204
8,509	Repairs, maintenance & replacements	4,482
182,503	Salaries & Super - officers	176,795
1,097,930	Salaries - other employees	1,242,896
14,166	Telephone & internet costs	15,438
23,423	Vehicle/car allowances expenses	24,258
4,797	Women's Budget & Programs	8,375
<u>1,786,180</u>	<b>TOTAL EXPENSES</b>	<u>1,998,519</u>
<u><u>137,387</u></u>	<b>Operating surplus for year</b>	<u><u>20,217</u></u>

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS

# AUSTRALIAN EDUCATION UNION - ACT BRANCH

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

2012 \$		NOTES	2013 \$
	<b>CURRENT ASSETS</b>		
164,393	Cash at Bank & Cash on Hand		28,090
1,004,533	Cash on Deposit		1,237,494
39,272	Sundry Debtors and Prepayments		62,672
8,990	Members Welfare Loans	5	6,600
<u>1,217,188</u>	<b>TOTAL CURRENT ASSETS</b>		<u>1,334,856</u>
	<b>NON CURRENT ASSETS</b>		
922,799	Leasehold Property, Plant & Equipment	3	941,071
<u>2,139,987</u>	<b>TOTAL ASSETS</b>		<u>2,275,927</u>
	<b>LESS CURRENT LIABILITIES</b>		
85,083	Sundry Creditors		228,429
154,361	Provision for Staff Entitlements	6	141,121
33,804	Subscriptions Paid in Advance		29,480
<u>273,248</u>	<b>TOTAL CURRENT LIABILITIES</b>		<u>399,030</u>
	<b>NON - CURRENT LIABILITIES</b>		
36,007	Provision for Staff Entitlements	6	25,949
<u>36,007</u>	<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>25,949</u>
<u>309,255</u>	<b>TOTAL LIABILITIES</b>		<u>424,979</u>
<u><b>1,830,732</b></u>	<b>NET ASSETS</b>		<u><b>1,850,949</b></u>
	<b><i>Represented By:</i></b>		
	<b>Members Funds</b>		
1,410,956	Balance as at 1 January 2013		1,548,343
282,389	Revaluation of Leasehold Land & Building Reserve		282,389
137,387	Add - Surplus/(Deficit) for Year		20,217
<u><b>1,830,732</b></u>	<b>Balance as at 31 December 2013</b>		<u><b>1,850,949</b></u>

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS

# AUSTRALIAN EDUCATION UNION - ACT BRANCH

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

2012 \$		2013 \$
	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
1,863,500	Receipts from Members	1,930,499
43,734	Interest received	43,876
-	Receipts - other persons	40,037
(1,784,613)	Payments to suppliers & employees	(1,714,648)
(119,924)	Funds from/to other reporting Entities	(153,411)
<u>2,697</u>	<b>NET CASH PROVIDED BY OPERATIONS (Note 4(b))</b>	<u>146,353</u>
	<b>CASH FLOW FROM INVESTING &amp; FINANCING ACTIVITIES</b>	
(9,310)	Payments for Assets	(49,695)
3,635	Proceeds from sale of Assets	-
<u>(5,675)</u>	<b>NET CASH PROVIDED BY INVESTING &amp; FINANCING</b>	<u>(49,695)</u>
(2,978)	<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	96,658
1,171,904	Cash at beginning of year	1,168,326
<u><b>1,168,926</b></u>	<b>CASH AT END OF YEAR (Note4 (a))</b>	<u><b>1,264,984</b></u>

## STATEMENT IN CHANGE IN EQUITY

	<u>General Account</u>	<u>Revaluation Account</u>	<u>Total</u>
Balance at 31/12/11	1,410,956	282,389	<u><b>1,693,345</b></u>
Surplus for Year - 2012	137,387		137,387
Balance at 31/12/12	1,548,343	282,389	<b>1,830,732</b>
Surplus for Year - 2013	20,217	-	20,217
Balance at 31/12/13	<u>1,568,560</u>	<u>282,389</u>	<u><b>1,850,949</b></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 2013**

#### **Note 1 Summary of Significant Accounting Policies**

##### **1.1 Basis of Preparation of the Financial Statements**

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Australian Education Union - ACT Branch is a non taxable entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities at measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

##### **1.2 Revenue**

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Interest revenue is recognised on an accrual basis using effective interest method.

##### **1.3 Capitation fees and levies**

Capitation fees and levies are to be recognised on an accrual basis and record as a revenue and/or expense in the year to which it relates.

##### **1.4 Employee Benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

##### **1.5 Cash**

Cash is recognised at its nominal amount. Cash and cash equivalents included cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

## **AUSTRALIAN EDUCATION UNION - ACT BRANCH**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

#### **1.6 Financial Instruments**

##### **Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

##### **Available-for-sale financial assets**

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

##### **Financial Liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

##### **Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

##### **Held-to-maturity investments**

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

##### **Impairment of Assets**

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

## **AUSTRALIAN EDUCATION UNION - ACT BRANCH**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

#### **1.7 Land, Buildings, Plant and Equipment**

##### **Asset Recognition Threshold**

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

##### **Depreciation**

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Plant and equipment	3-5 years
Buildings	40 years

#### **1.8 Taxation**

Australian Education Union - ACT Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office;
- and
- for receivables and payables.

# AUSTRALIAN EDUCATION UNION - ACT BRANCH

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 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).

### NOTE 3 - LEASEHOLD PROPERTY, PLANT & EQUIPMENT

2012 Written Down Value		Cost	Accumulated Depreciation	2013 Written Down Value
\$		\$	\$	\$
282,389	Leasehold land & buildings- @Valuation -Net Increase			282,389
616,066	Leasehold land & buildings	994,473	(394,307)	600,166
4,841	Furniture & fittings	74,864	(70,619)	4,245
19,504	Office equipment	37,873	(16,101)	21,772
-	Website Design & Development	32,500	-	32,500
<b>922,799</b>	<b>Total written down value</b>	<b>1,139,709</b>	<b>(481,027)</b>	<b>941,071</b>

### NOTE 4 - CASH FLOW INFORMATION

(a) Reconciliation of Cash	2013 \$	2012 \$
Cash on hand	600	600
Cash at bank	27,490	163,793
Cash on deposit	1,237,494	1,004,533
	<b>1,265,584</b>	<b>1,168,926</b>

# AUSTRALIAN EDUCATION UNION - ACT BRANCH

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### NOTE 4 - CASH FLOW INFORMATION (continued)

2012		2013
\$		\$
137,387	<b>Operating surplus/(deficit)</b>	20,217
	<b>Add Back Non-Cash Items</b>	
15,900	Amortisation	15,900
10,804	Depreciation	15,523
(37,726)	Increase/(decrease) in provisions	(23,298)
(775)	Gain on sale of Assets	-
125,590	<b>Total Non-Cash Items</b>	28,342
	<b>Changes in Assets &amp; Liabilities</b>	
(15,576)	Decrease/(Increase) in Debtors, Prepayments & Members Loans	(21,011)
(107,617)	Increase(decrease) in Creditors, including Subs in Advance	139,021
<b>2,697</b>	<b>Cash Flows from Operations</b>	<b>146,353</b>

### NOTE 5 - TEACHER WELFARE FUND

#### Summary of Transactions in the Teacher Welfare Fund

2,983	Balance of loans outstanding 1 January 2013	8,990
8,400	Loans made during the year	5,000
11,383		13,990
(2,393)	<b>Less:</b> Loan repayments received	(4,810)
-	Loans written off	(2,580)
<b>8,990</b>	<b>Balance of loans outstanding 31 December 2013</b>	<b>6,600</b>

### NOTE 6 - PROVISION FOR STAFF LEAVE ENTITLEMENTS

#### Current Liabilities

##### General Staff

85,113	Provision for Annual Leave	54,808
69,248	Provision for Long Service Leave	58,861
154,361		113,669

##### Office Holder

-	Provision for Annual Leave	8,956
-	Provision for Long Service Leave	18,496
-		27,452

154,361	<b>Total Current Staff Entitlements</b>	<b>141,121</b>
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#### Non Current Liability

36,007	Provision for Long Service Leave	25,949
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**AUSTRALIAN EDUCATION UNION - ACT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

<b>NOTE 7 Key Management Personnel Remuneration</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Short - term employee benefits		
Salary (including annual leave taken)	132,807	166,461
Annual leave accrued	5,738	-
Performance bonus	-	-
<b>Total short-term employee benefits</b>	<b>138,545</b>	<b>166,461</b>
Post - employment benefits:		
Superannuation	28,371	16,042
<b>Total post - employment benefits</b>	<b>28,371</b>	<b>16,042</b>
Other long - term benefits		
Long - service leave - Accrued	3173	-
<b>Total other long - term benefits</b>	<b>3173</b>	<b>-</b>
<b>Total Remuneration to Key Management Personnel</b>	<b>170,089</b>	<b>182,503</b>

**NOTE 8 Transactions with key management personnel and their close family members**

There were no loans or other transactions between the reporting entity & it's key management employee during the reporting period

<b>NOTE 9 Remuneration of Auditors</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Values of the services provide		
Financial statement audit services	3,100	3,200
Other services	-	-
<b>Total remuneration of auditors</b>	<b>3,100</b>	<b>3,200</b>

**NOTE 10 Employee Expenses**

<b>Holders of Office</b>		
Wages & Salaries	127,400	129,555
Superannuation	28,371	16,042
Leave & other entitlements	21,024	36,906
Seperation & other Employee expenses	-	-
<b>Subtotal Office Holder Employee Expenses</b>	<b>176,795</b>	<b>182,503</b>
<b>Employee other than office holders</b>		
Wages & Salaries	957,304	801,032
Superannuation	160,943	153,729
Leave & other entitlements	124,649	143,169
Seperation & other employee expenses	-	-
<b>Subtotal of non office holder employee expenses</b>	<b>1,242,896</b>	<b>1,097,930</b>
<b>Total Employee Expenses</b>	<b>1,419,691</b>	<b>1,280,433</b>

# AUSTRALIAN EDUCATION UNION - ACT BRANCH

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### Note 11 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

Transactions with related parties - AEU - Federal Office

	2013	2012
	\$	\$
- Income	-	-
- Expenses		
- Capitation Fees	89,302	79,071
- Publication Levy - Australian Educator	10,311	9,409
- TAFE Publication Levy	760	777
- ACTU - Subscriptions	11,336	10,342
- Education International fund	6,313	5,955
- ACTU Campaign Levy	6,610	3,134
- Public Education Campaign	28,779	17,191
	<u>153,411</u>	<u>125,879</u>

No money owing to or from the related reporting Entity at Balance Date.

### Note 12 Events after Balance Date

There has not been any other material events between the balance date and the date of signing of the operating report.

### Note 13 Contingent Liability

There are no contingent liabilities outstanding at balance date.

Note 14 Other Reportable Items	2013	2012
	\$	\$
- Penalties -via RO Act or RO Regulations	-	-
- Legal Costs		
~ Litigation	-	-
~ Other	2,500	29,408
- Grants or Donations		
~ Grants	-	-
~ General Donations	4,032	3,245
- Affiliation Fees		
~ Unions ACT	16,487	15,680
~ Union Shopper	1,495	1,567
- Consideration to Employers for payroll deductions	-	-

# 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, 2013 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.

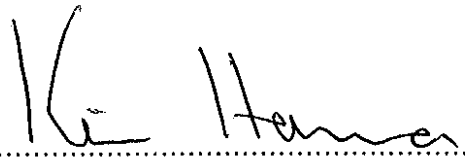
My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the accounts are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the accounts, and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

  
.....  
**Kim D Hanna FCA**  
**Registered Company Auditor**  
Date.....19/3/14.....