



Mr John Irving
Secretary
New South Wales Branch
Australian Education Union
23-33 Mary Street
Surry Hills NSW 2010

Dear Mr Irving,

Re: Financial Return for year ended 31 December 2006 (FR2006/637)

I acknowledge receipt of your letter dated 7 May 2007, accompanied by the financial return of the NSW Branch of the Australian Education Union for the year ended 31 December 2006. The documents were lodged in the Registry on 9 May 2007.

I apologise for the delay in responding.

The documents have been filed, however there several matters, some which have been raised in relation to previous years' financial documents, which have not been addressed in the 2006 return.

Could you please ensure that these matters are addressed in the documents for the 2007 financial year.

1. Secretary's Certificate

The certificate does not expressly state that the documents were provided to members (in accordance with RAO s265), or when that occurred. To enable the Registry to monitor compliance with the RAO Schedule, the certificate should in future include the date the documents were provided to members and the manner in which this was done (e.g. by post, email etc.).

2. Operating Report

There still appears to be a misunderstanding regarding the requirement contained in s254(2)(d) of the RAO Schedule regarding Superannuation Trustees.

The requirement does not relate to the engagement of trustees by the branch. The provision requires details to be given of any officer or member who holds a position as trustee (or director of a trustee company) of a superannuation fund, where being an officer or member of the organisation or branch is a criterion for holding the position. This would occur for instance, where the trust deed of an industry or employer super fund specified that the organisation or branch was entitled to nominate a trustee for that fund.

The provision reads as follows:

“(2) The operating report must:

.....

d) give details (including details of the position held) of any officer or member of the reporting unit who is:

(i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or

(ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation."

If no officer or member of the branch does hold such a position, then the operating report should state accordingly.

3. General Purpose Financial Report

Note 4 of the notes to the financial statements again incorrectly refers to s274 in relation to member's access to financial records.

The correct reference is s272 of the RAO Schedule, which requires that both a general purpose financial report and a concise report, must include a notice drawing attention of members to subsections (1), (2), and (3) of s272 of the RAO Schedule and setting out those subsections.

Those subsections, which should be should be set out verbatim, are as follows:

- "(1) A member of a reporting unit, 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) A reporting unit must comply with an application made under subsection (1)."

If you wish to discuss this correspondence, I may be contacted on (03) 8661 7984 or by email at ken.ophel@air.gov.au.

I have forwarded a copy of this correspondence to the Branch's auditors for their information.

Yours sincerely,



Ken Ophel
Manager, Team 1
Statutory Services Branch
Australian Industrial Registry

(03) 8661 7984
ken.ophel@air.gov.au
19 July 2007

c.c. Mr M A Adam-Smith
Partner
Grant Thornton
Chartered Accountants



Australian Education Union

New South Wales Branch

Federal Office: 120 Clarendon Street, South Melbourne VIC 3205
NSW Branch Office: 23-33 Mary Street, Surry Hills NSW 2010

7 May 2007

In reply please quote:

Australian Industrial Registry (NSW Branch)
80 William Street
EAST SYDNEY NSW 2011

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Dear Sir/Madam

Re: Australian Education Union (NSW Branch) Financial Documents for the year ending 31 December 2006

Please find enclosed duly completed:

- a) Certificate of Secretary [Sec268, schedule 1B RAO]
- b) Certified copy of the financial report for the year ending 31 December 2006
- c) Copy of Auditors Report

Please note that the following requirements are included in the financial statements for the above year;

- Certificate of Secretary [S268 of RAO]
- Committee of Management Statement [S272 of RAO]
- Operating Report

Yours sincerely

JOHN IRVING
BRANCH SECRETARY



AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

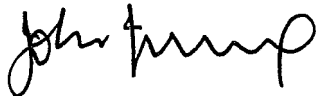
CERTIFICATE OF SECRETARY OR OTHER AUTHORISED OFFICER

s268 of Schedule 1B Workplace Relations Act 1996

I, John Irving, being the Officer of the Australian Education Union (New South Wales Branch), certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- that the full report, was provided to a Committee of Management meeting on 10th March 2007; and
- that the full report was presented to a Committee of Management meeting of Australian Education Union (NSW Branch) on 5th May 2007; in accordance with section 266 of the RAO Schedule.

Signature:



Date:

7/5/07

"I certify this to be a true copy of the original"

.....
John Irving
BRANCH SECRETARY

**AUSTRALIAN EDUCATION
UNION (NEW SOUTH WALES
BRANCH)**

ABN: 86 600 150 697

**FINANCIAL REPORT
31 DECEMBER 2006**

**AUSTRALIAN EDUCATION
UNION
(NEW SOUTH WALES BRANCH)**

ABN: 86 600 150 697

**FINANCIAL REPORT
31 DECEMBER 2006**

**AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)**

**OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006**

Your committee present the report on the union for the financial year ended 31 December 2006.

Members of Committee

The name of the members of committee of management in office at any time during or since the end of the financial year are:

Frank Barnes	Henry Rajendra (Jnr)	Bob Treasure
Nola Edsall	Sally Edsall	Geoff Turnbull
Mary Fogarty	Robert Lipscombe	Maurie Mulheron
Garry Grant	Sue Simpson	Peter Wilson
Deborah Westacott	John Robertson	Maree O'Halloran
Terry Moriarty	Angelo Gavrielatos	Phil Bradley
John Dixon	John Irving	Chris Goudkamp
Brenda Seymour		

The members of committee of management has been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating Results

The loss of the union for the financial year was \$1,404 (2005: profit of \$1,524).

Review of Operations

A review of the operations of the union during the financial year and the results of those operations found that during the year, the entity continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant Changes in State of Affairs

No significant changes in the state of affairs of the union occurred during the financial year.

Principal Activity

The principal activity of the entity during the financial year was promotion of union activities within the education sector. No significant change in the nature of these activities occurred during the year..

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the union, the results of those operations, or the state of affairs of the union in future financial years.

Employees/Members

The union did not have any employees during the year. The number of financial members at 31 December 2006 was 62,986 (2005: 62,689)

Superannuation Trustees

The union does not engage Superannuation Trustees in its operations.

**AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)**

**OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006**

Rights of members to resign

Members may resign from the union in accordance with rule 17, which reads as follows:

“17 – Resignation from membership and termination of eligibility

- (3) A member may resign from of the Union by written notice addressed to and delivered to the Secretary of the Branch to which the member is attached.
- (4) A notice of resignation from membership takes effect:-
 - (a) where the member ceases to be eligible to become a member of the Union-
 - (i) on the day on which the notice is received at the office of the relevant Branch Secretary; or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member; which is later; or
 - (b) in any other case -
 - (i) at the end of 2 weeks after the notice is received at the office of the relevant Branch Secretary; or
 - (ii) on the day specified in the notice; whichever is later.
- (5) Any subscriptions, levies or fines which are due and payable but have not been paid by a former member in relation to a period before the member's resignation took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union.
- (6) A notice delivered to the relevant Branch Secretary shall be taken to have been received by the Union when it was delivered.
- (7) A notice of resignation that has been received at the office of the relevant Branch Secretary is ~~not invalid because it was not addressed and delivered in accordance with sub-rule (1).~~
- (8) A resignation from membership is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.
- (9) A relevant Branch Secretary may accept a resignation from membership which is not effected in accordance with this Rule.
- (10) Where the relevant Branch Secretary accepts a resignation in accordance with the previous sub-rule the relevant Branch Secretary shall inform the member in writing that his/her resignation has been accepted.
- (11) On receipt of a written notice from a member that he/she has become ineligible for membership of the Union or a notice of resignation or on acceptance of a resignation which is not effected in accordance with this Rule, the Branch Secretary shall, as soon as possible notify the Federal Secretary that the member has become ineligible for membership or that the member has resigned.”

**AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)**

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006**

On 10th March 2007 the Committee of Management of Australian Education Union (New South Wales Branch) passed the following resolution in relation to the general purpose financial report (GPFR) of the Australian Education Union (New South Wales Branch) for the financial year ended 31 December 2006:

The Committee of Management declares in relation to the GPFR that in its opinion:

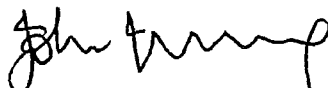
- (a) the financial statements and notes comply with Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates 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 a branch concerned; and
 - (ii) the financial affairs have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) where the organisation consists of 2 or more entities, the financial records of reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member of Registrar; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

Signed in accordance with a resolution of the Committee of Management:

Name of officer: JOHN IRVING

Title of Office held: GENERAL SECRETARY

Signature:



Dated this 10 Day of March 2007

**AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)**

**INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006**

	Note	2006 \$	2005 \$
Revenues			
Grants		-	2,000
Interest received		666	1,665
Agency collections		<u>1,796,790</u>	<u>1,626,687</u>
Total revenues		<u>1,797,456</u>	<u>1,630,352</u>
Expenses			
Audit of financial reports	5	2,000	1,850
Capitation fees paid to Federal Office		<u>1,796,790</u>	<u>1,626,687</u>
Total WRA Regulations disclosures		<u>1,798,790</u>	<u>1,628,537</u>
Finance costs		<u>70</u>	<u>291</u>
Total expenses		<u>1,798,860</u>	<u>1,628,828</u>
(Loss)/Profit attributable to members of the entity		<u>(1,404)</u>	<u>1,524</u>

The Financial Statements should be read in conjunction with the accompanying notes.

**AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)**

**BALANCE SHEET
AS AT 31 DECEMBER 2006.**

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash and cash equivalents		7,617	9,056
Trade and other receivables		110	1,750
TOTAL CURRENT ASSETS		<u>7,727</u>	<u>10,806</u>
TOTAL ASSETS		<u>7,727</u>	<u>10,806</u>
CURRENT LIABILITIES			
Trade and other payables		-	1,675
TOTAL CURRENT LIABILITIES		<u>-</u>	<u>1,675</u>
TOTAL LIABILITIES		<u>-</u>	<u>1,675</u>
NET ASSETS		<u>7,727</u>	<u>9,131</u>
EQUITY			
Retained earnings		7,727	9,131
TOTAL EQUITY		<u>7,727</u>	<u>9,131</u>

The Financial Statements should be read in conjunction with the accompanying notes.

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006

	Retained Earnings \$	TOTAL \$
Balance at 31 December 2004	7,607	7,607
Net profit for 2005	<u>1,524</u>	<u>1,524</u>
Total recognised income and expense	<u>1,524</u>	<u>1,524</u>
Balance at 31 December 2005	<u>9,131</u>	<u>9,131</u>
Net (loss) for 2006	<u>(1,404)</u>	<u>(1,404)</u>
Total recognised income and expense	<u>7,727</u>	<u>7,727</u>
Balance at 31 December 2006	<u>7,727</u>	<u>7,727</u>

The Financial Statements should be read in conjunction with the accompanying notes.

**AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)**

**CASHFLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006**

	Note	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grants received		-	2,000
Agency Collections		1,796,790	1,626,687
Interest received		666	1,665
Payments in the course of operations		<u>(1,798,895)</u>	<u>(1,628,903)</u>
Net cash (used in)/provided by operating activities	6 (a)	(1439)	1,449
CASH FLOWS FROM INVESTING ACTIVITIES			
		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
Net (decrease)/ increase in cash held		(1,439)	1,449
Cash at beginning of year		<u>9,056</u>	<u>7,607</u>
Cash at end of the year	6 (b)	<u>7,617</u>	<u>9,056</u>

The Financial Statements should be read in conjunction with the accompanying notes.

**AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board, including the requirements of the Workplace Relations Act 1996.

The financial report of Australian Education Union comply with all Australian equivalents to International Financial Reporting Standards (A-IFRS) in their entirety. Compliance with AIFRS ensures that the financial report also complies with International Financial Reporting Standards (IFRS) in their entirety.

The financial report is prepared on an accrual basis and is based on historical costs and does not take into account changing money values, or except where stated, the current value of non-monetary assets.

The accounting policies adopted have been consistently applied, unless otherwise stated.

(a) Income Tax

No provision for income tax is necessary as the Australian Education Union (New South Wales Branch) is exempt from tax under Sec 23(f) for the Income Tax Assessment Act.

(b) Revenue

Grant revenue is recognised in the period in which it is received.

Agency revenue is recognised for the financial year to which it relates. Agency revenue received in advance is recognised as a liability at balance date.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to those assets.

NOTE 2: CAPITAL EXPENDITURE COMMITMENTS

No Capital Expenditure contracted for.

**AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006**

NOTE 3: RELATED PARTY INFORMATION

(a) Executive Officers

The Chief Executive Officer (Branch Secretary) during the year was John Irving.

Persons holding positions as executive (committee of management) members during the year were:

Frank Barnes	Henry Rajendra (Jnr)	Bob Treasure
Nola Edsall	Sally Edsall	Geoff Turnbull
Mary Fogarty	Robert Lipscombe	Maurie Mulheron
Garry Grant	Sue Simpson	Peter Wilson
Deborah Westacott	John Robertson	Maree O'Halloran
Terry Morirarty	Angelo Gavrielatos	Barry Johnson
Phil Bradley	John Dixon	John Irving
Brenda Seymour		

No remuneration was received by officers or executive members during the year.

(b) Related party transactions

Agency Collection fees paid to the Australian Education Union during 2006 was \$1,796,790 (2005: \$1,626,687). Agency Collection fees were received from the New South Wales Teachers Federation for the same amount.

NOTE 4: NOTICE REQUIRED UNDER WORK PLACE RELATIONS ACT 1996

In accordance with the requirements of the Work Place Relations Act 1996, the attention of members is drawn to the following provisions of the Act:-

S.274

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such a manner, and within such time as prescribed.
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of application made at the request of the member.

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006

	2006 \$	2005 \$
NOTE 5: AUDITOR'S REMUNERATION		
Audit of financial reports	<u>2,000</u>	<u>1,850</u>

NOTE 6: CASH FLOW INFORMATION

(a) Reconciliation of net cash inflow from operating activities to operating surplus:

Operating (deficit)/surplus	(1,404)	1,524
Changes in assets and liabilities during the financial year:		
(Increase) in debtors	(110)	-
Increase/(decrease) in creditors	<u>75</u>	<u>(75)</u>
Net cashflows from operating activities	<u>(1,439)</u>	<u>1,449</u>

(b) Reconciliation of Cash:

Cash at the end of the financial year is reconciled to items in the statement of financial position as follows:

Cash at bank	<u>7,617</u>	<u>9,056</u>
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**AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006**

NOTE 7: FINANCIAL INSTRUMENTS

The Branch does not participate in the use of derivative financial instruments.

(a) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or any other security, at balance date to recognise financial assets is the carrying amount, net of any provision for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

The Branch does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Branch.

(b) Net Fair Values

The net fair values of debtors, loans and other amounts are determined by discounting the cash flows, at the market interest rates of similar securities, to their present values.

The carrying amount of all financial assets and liabilities does not exceed their net fair value.

(c) Interest Rate Risk

The Branch exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates is minimal as all financial assets and liabilities are non-interest bearing.

NOTE 8: SEGMENT REPORTING

The Branch operates in one business segment being the Trade Union sector providing services to its members within one geographic segment being New South Wales.

NOTE 9: SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the union, the results of those operations, or the state of affairs of the union in future financial years.

NOTE 10: ORGANISATION DETAILS

The registered office and principal place of business of the Australian Education Union (New South Wales Branch) is 23-33 Mary Street Surry Hills.

INDEPENDENT AUDIT REPORT TO MEMBERS OF THE AUSTRALIAN EDUCATION UNION (NEW SOUTH WALES BRANCH)

Scope

The financial report and the Committee of Management's responsibility

The financial report comprises the balance sheet, income statement, cash flow statement, accompanying notes to the financial statements, and the certificate by the Committee of Management for the Australian Education Union (New South Wales Branch) for the year ended 31 December 2006.

The Committee of Management is responsible for the preparation and true and fair presentation of the financial report in accordance with Australian accounting standards, other mandatory professional reporting requirements and the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Australian Education Union (New South Wales Branch). Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australia accounting standards, including other mandatory financial reporting requirements in Australia and the Workplace Relations Act 1996, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the council.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

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INDEPENDENT AUDIT REPORT TO MEMBERS OF THE
AUSTRALIAN EDUCATION UNION (NEW SOUTH WALES BRANCH) (cont)

Independence

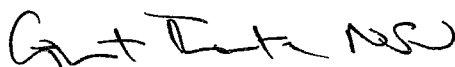
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit opinion

In our opinion:

- a satisfactory accounting records were kept by the Branch in respect of the year ended 31 December 2006, including:
 - i records of the sources and nature of the income of the Branch (including income from members); and
 - ii records of the nature and purposes of expenditure of the Branch; and
- b the general purpose financial report is presented fairly in accordance with the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996.
- c ~~the financial statements have been prepared in accordance with Accounting Standards and~~ other mandatory professional reporting requirements in Australia.

We have obtained all the information and explanations we required from the officers and employees of the Branch, which were necessary for the purposes of our audit, and there were no deficiencies, failures or shortcomings in relation to the matters referred to above.



GRANT THORNTON NSW
Chartered Accountants



M A ADAM-SMITH
Partner

Sydney

10 March 2007