



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

Dear Mr Irving

**Re: Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**  
**Financial reports for year ended 31 December 2007 - FR 2007/643**

I acknowledge receipt of the financial reports of the Australian Education Union – New South Wales Branch for the year ended 31 December 2007. The documents were lodged in the Industrial Registry on 14 May 2008.

The financial reports have been filed.

Although the documents have been filed, I would like to comment on some minor issues arising out of the 2007 financial reports. I make these comments to assist you when your reporting unit next prepare the financial reports. You *do not* need to take any further action in respect of the financial reports already lodged and filed.

**1. Committee of Management Statement**

I note the date of resolution of the committee of management statement is 10 March 2007. This was the resolution date of the committee of management meeting for the previous year's report and therefore may have inadvertently been overlooked. I have filed the financial report based on the date of execution of the committee of management statement and the information contained in the secretary's certificate which specified the meeting was held on 8 March 2008. Please ensure the resolution date is also amended when using pro forma documents in future financial reports.

**2. References to Schedule 1 of the *Workplace Relations Act 1996***

The cover letter, secretary's certificate and auditor's report contained references to Schedule 1B of the *Workplace Relations Act 1996*. Since 27 March 2006 such references should be to Schedule 1 or the RAO Schedule.

**3. Operating Report**

I note the operating report has in substance addressed the requirements under s.254(2)(d) of the RAO Schedule regarding superannuation trustees. However, the legislation specifically requires details of *any officer or member of the reporting unit* who hold a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

At present the operating report only address "officers" who are "member(s) of the committee of management". In future can you please also consider whether any members of the reporting unit hold such a position as a superannuation trustee in accordance to s.254(2)(d).

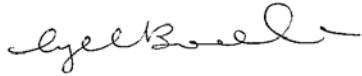
**4. Recovery of Wages Activity**

The present financial reports do not provide any information in relation to any recovery of wages activity. Where the reporting unit has not undertaken any recovery of wages activity for the

financial year the committee of management statement or the auditor's report should provide a brief statement to that effect.

If you wish to discuss any matters contained in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7989 on Wednesdays and Thursdays or by email at [Cynthia.lobooth@air.gov.au](mailto:Cynthia.lobooth@air.gov.au)

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Cynthia Lo-Booth', with a stylized flourish at the end.

Cynthia Lo-Booth  
Statutory Services Branch

5 June 2008



# 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

FR2007/643

*lodgement entered CR S  
concerning report not lodged  
as doc rec'd*

12 May 2008

In reply please quote:

628/2008/JI:sr

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

Dear Sir/Madam

**Re: Australian Education Union ( NSW Branch) Financial Documents for the year ending 31 December 2007**

Please find enclosed duly completed:

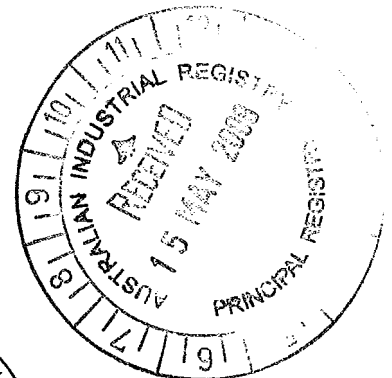
- Certificate of Secretary [Sec268, schedule 1B RAO]
- Certified copy of the financial report for the year ending 31 December 2007
- Copy of Auditors Report

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**


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s268 of Schedule 1B Workplace Relations Act 1996

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

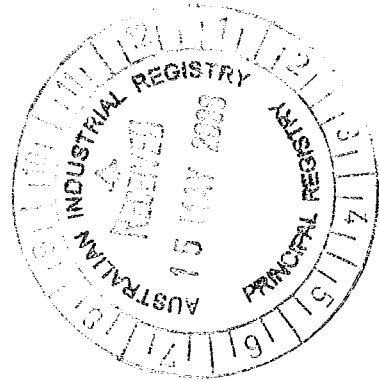
- that the documents lodged herewith are copies of the full report, and the concise report referred to in s268 of the RAO Schedule; and
- that the full report, was provided to a Committee of Management meeting on the 8th March 2008; and
- that the Committee of Management at its 8th March 2008 meeting passed a resolution to publish a concise report free of charge to its members in the journal "Education" as published and mailed to members on 7<sup>th</sup> April 2008 in accordance with s265 (5) (b).
- that the full report was presented to a Committee of Management meeting of Australian Education Union (NSW Branch) on 10<sup>th</sup> May 2008 in accordance with section 266 (3) of the RAO Schedule.

Signature:



Date: 12 May 2008.





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

**ABN: 86 600 150 697**

**FINANCIAL REPORT  
31 DECEMBER 2007**

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

**OPERATING REPORT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007**

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Your committee present the report on the union for the financial year ended 31 December 2007.

**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 is:

Gary Zadkovich	Denis Fitzgerald	Sui-Linn White
Nola Edsall	Pamela Gregg	Geoff Turnbull
Mary Fogarty	Robert Lipscombe	Maurie Mulheron
Garry Grant	Sue Simpson	Chris Goudkamp
Waine Donovan	Deborah Marten	Maree O'Halloran
Terry Moriarty	Linda Simon	Chris Tome
Michael De Wall		

The members of committee of management have 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 \$4,834 (2006: loss of \$1,404).

**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 2007 was 62,478 (2006: 62,986)

**Superannuation Trustees**

No member of the committee of management holds a position as trustee (or director of a trustee company) of a superannuation fund, where being a member of the committee of management of the organisation or branch is a criterion for holding the position.

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

**OPERATING REPORT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007**

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**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 2007

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On 10<sup>th</sup> 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 2007:

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:

Branch Secretary

Signature:



Dated this 8 Day of March 2008



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

**INCOME STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007**

	<b>Note</b>	<b>2007</b> \$	<b>2006</b> \$
<b>Revenues</b>			
Grants		4,220	-
Interest received		952	666
Agency collections		<u>2,615,879</u>	<u>1,796,790</u>
<b>Total revenues</b>		<u>2,621,051</u>	<u>1,797,456</u>
<b>Expenses</b>			
Audit of financial reports	<b>5</b>	2,200	2,000
Capitation fees paid to Federal Office		<u>2,615,879</u>	<u>1,796,790</u>
Total WRA Regulations disclosures		<u>2,618,079</u>	<u>1,798,790</u>
Travel costs		<u>7,736</u>	<u>-</u>
Finance costs		<u>70</u>	<u>70</u>
<b>Total expenses</b>		<u>2,625,885</u>	<u>1,798,860</u>
<b>(Loss)/Profit attributable to members of the entity</b>		<u><u>(4,834)</u></u>	<u><u>(1,404)</u></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 2007**

	Note	2007 \$	2006 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,569	7,617
Trade and other receivables		<u>774</u>	<u>110</u>
<b>TOTAL CURRENT ASSETS</b>		<u>3,343</u>	<u>7,727</u>
<b>TOTAL ASSETS</b>		<u>3,343</u>	<u>7,727</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<u>450</u>	<u>-</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>450</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>450</u>	<u>-</u>
<b>NET ASSETS</b>		<u>2,893</u>	<u>7,727</u>
<b>EQUITY</b>			
Retained earnings		<u>2,893</u>	<u>7,727</u>
<b>TOTAL EQUITY</b>		<u>2,893</u>	<u>7,727</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 2007**

	<b>Retained Earnings \$</b>	<b>TOTAL \$</b>
<b>Balance at 31 December 2005</b>	9,131	9,131
Net profit for 2006	<u>(1,404)</u>	<u>(1,404)</u>
Total recognised income and expense	<u>(1,404)</u>	<u>(1,404)</u>
<b>Balance at 31 December 2006</b>	<u>7,727</u>	<u>7,727</u>
Net (loss) for 2007	<u>(4,834)</u>	<u>(4,834)</u>
Total recognised income and expense	<u>(4,834)</u>	<u>(4,834)</u>
<b>Balance at 31 December 2007</b>	<u>2,893</u>	<u>2,893</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 2007**

	Note	2007	2006 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Grants received		4,220	-
Agency Collections		2,615,879	1,796,790
Interest received		952	666
Payments in the course of operations		<u>(2,626,099)</u>	<u>(1,798,895)</u>
<b>Net cash (used in)/provided by operating activities</b>	6 (a)	(5,048)	(1439)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
		-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
		<u>-</u>	<u>-</u>
<b>Net (decrease)/ increase in cash held</b>		(5,048)	(1,439)
Cash at beginning of year		<u>7,617</u>	<u>9,056</u>
<b>Cash at end of the year</b>	6 (b)	<u><u>2,569</u></u>	<u><u>7,617</u></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 2007**

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**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.

*Adoption of new accounting standard*

The entity has adopted AASB 7 Financial Instruments; Disclosures and all consequential amendments which become applicable on 1 January 2007. The adoption of this standard has only affected the disclosure in these financial statements. There has been no affect on profit and loss or the financial position of the entity.

**(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.

**(c) Financial Risk management objectives and policies**

The consolidated entity's principal financial instrument comprises receivables, payables and bank loans, cash and short term deposits.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007**

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**(c) Financial Risk management objectives and policies (cont)**

The consolidated entity manages its exposure to key financial risks including interest rate risk, credit risk and liquidity risk. The consolidated entity uses different methods of measure and manages different types of risk to which it is exposed. These include monitoring levels of exposure to interest rate and assessments of market forecasts for interest rate prices. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

**(d) Risk Exposure and Responses**

*Interest rate risk*

The consolidated entity's exposure to market interest rates relates primarily to the consolidated entity's long-term debt obligations. The level of debt is disclosed in Note 7.

**(e) New accounting standards and interpretations**

There have been new Australian Accounting Standards and UIG Interpretations issued/ or amended that are applicable to the Australian Education Union( New South Wales Branch) but not yet affective. They have been considered and it is believed that they have no material impact on the presentation on the financial report.

**NOTE 2: CAPITAL EXPENDITURE COMMITMENTS**

No Capital Expenditure contracted for.

**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:

Gary Zadkovich	Denis Fitzgerald	Sui-Linn White
Nola Edsall	Pamela Gregg	Geoff Turnbull
Mary Fogarty	Robert Lipscombe	Maurie Mulheron
Garry Grant	Sue Simpson	Chris Goudkamp
Waine Donovan	Deborah Marten	Maree O'Halloran
Terry Moriarty	Linda Simon	Chris Tome
Michael De Wall		

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 2007 was \$2,615,879 (2006: \$1,796,790. Agency Collection fees were received from the New South Wales Teachers Federation for the same amount.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007**

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**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.272

- (1) A member of the 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 with 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).

	2007	2006
	\$	\$

**NOTE 5: AUDITOR'S REMUNERATION**

Audit of financial report	<u>2,200</u>	<u>2,000</u>
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**NOTE 6: CASH FLOW INFORMATION**

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

Operating (deficit)/surplus	(4,834)	(1,404)
Changes in assets and liabilities during the financial year:		
(Increase) in debtors	(664)	(110)
Increase/(decrease) in creditors	<u>450</u>	<u>75</u>
Net cashflows from operating activities	<u>(5,048)</u>	<u>(1,439)</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>2,569</u>	<u>7,617</u>
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**AUSTRALIAN EDUCATION UNION  
(NEW SOUTH WALES BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007**

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**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.



**Grant Thornton NSW**  
ABN 25 034 787 757

Level 17, 383 Kent Street  
Sydney NSW 2000  
PO Locked Bag Q800  
QVB Post Office  
Sydney NSW 1230

T +61 2 8297 2400  
F +61 2 9299 4445  
E [info@gtnew.com.au](mailto:info@gtnew.com.au)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF AUSTRALIAN EDUCATION UNION (NEW SOUTH  
WALES BRANCH)**

We have audited the accompanying financial report comprising the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity, cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes to the financial statements, and the certificate by the Committee of Management for the Australian Education Union (New South Wales Branch) (the Branch).

**The Committee of Management's responsibility for the financial report**

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards including the Australian Accounting Interpretations and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1 the Committee of Management also states, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

**Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards, which require us to comply with relevant ethical requirements relating to audit engagements, in order to plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF AUSTRALIAN EDUCATION UNION (NEW SOUTH  
WALES BRANCH) (cont)**

**Auditor's responsibility (cont)**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Independence**

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.

**Audit opinion**

In our opinion:

- a satisfactory accounting records were kept by the Branch in respect of the year ended 31 December 2007, 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 financial report presents fairly, in all material respects, in accordance with the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996 and applicable Australian Accounting Standards including the Australian Accounting Interpretations, the financial position of the Branch as at 31 December 2007, and of its performance and its cash flows for the year then ended.
- c the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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, 8 March 2008