



FAIR WORK
AUSTRALIA

13 October 2010

Mr John Dixon
Acting Branch Secretary, Australian Education Union, New South Wales Branch
22-23 Mary Street
Surry Hills NSW 2010
By email: jdixon@nswtf.org.au

cc: Steve Ruzic
Australian Education Union, New South Wales Branch
22-23 Mary Street
Surry Hills NSW 2010
By email: sruzic@nswtf.org.au

cc: M A Adam-Smith
Director, Audit & Assurance Services, Grant Thornton
PO Locked Bag Q800
QVB Post Office
Sydney NSW 1230
By Email: info.nsw@granthornton.com.au

Dear Mr Dixon

**Financial report for the AEU NSW Branch for the year ended 31 December 2009
(FR2010/10301)**

I acknowledge receipt of the financial report of the New South Wales Branch of the Australian Education Union for the year ended 31 December 2009. The documents were lodged with Fair Work Australia on 8 June 2010 and further documents lodged on 1 October 2010.

The financial report has now been filed.

I have also attached an addendum for your consideration in which I make 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. If you wish to discuss any matters further, I can be contacted on 03 8661 7929 or via email on eve.anderson@fwa.gov.au. A copy of this letter and addendum will be forwarded to your auditor.

Yours sincerely

Eve Anderson
Tribunal Services and Organisations
Fair Work Australia
Tel: 03 86617929

Email: eve.anderson@fwa.gov.au

Addendum to the Financial Reports for the New South Wales Branch of the Australian Education Union for the year ended 31 December 2009 (FR2009/10301)

The following comments are made to assist you when you next prepare a financial report.

1. Concise Report

The opening statement of the Concise Report states that 'These accounts are a concise *view*...' However the concise report is required to include a statement that it is a concise *report* ([subsection 265\(3\)\(e\)](#) of the *Fair Work (Registered Organisations) Act 2009* (RO Act)). In future please ensure that the Concise Report states that it is a concise report.

[Regulation 161\(1\)\(e\)](#) of the *Fair Work Regulations 2009* (the Regulations) requires a concise report to include 'a statement that the concise financial report has been derived from the full report and cannot be expected to provide as full an understanding of the financial performance, financial position and financial and investing activities of the reporting unit as the full report.' The first page of the Concise Report states that it is derived from the full report, but does not state that it 'cannot be expected to provide as full an understanding of the financial performance, financial position and financial and investing activities of the reporting unit as the full report.' Please ensure that this statement is made in future concise reports.

2. Reproduction of section 272

The first page of the concise report refers to section 274(1), (2) and (3). This should refer to section 272(1), (2) and (3).

Also the wording reproduced in the concise report and in note 4 of the full report is from outdated legislation. Instead the wording should read as follows:

272 Information to be provided to members or General Manager

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

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

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

3. Related Party Transactions

Australian Accounting Standard AASB 124 at paragraph 17 requires that if there have been any transactions between related parties, the nature of the related party relationship and the amount of transactions shall be disclosed. Note 4 of the full report discloses that the NSW Teachers Federation is a related party and also the amount received in membership fees (in accordance with AASB 124(17)). However I understand that the grant of \$2000 disclosed in the statement of comprehensive income was a grant from the NSW Teachers Federation. In future years all transactions with the NSW Teachers Federation (and any other related parties), including grants, should be included in the notes pertaining to related party transactions.

4. Operating Report - Review of Principal Activities

[Subsection 254\(2\)\(a\) of the RO Act](#) requires an operating report to contain a review of the principal activities of the reporting unit, the results of those activities and any significant changes in the nature of those activities. I note that the operating report provides a review of the principal activities, but does not explain the *results* of these activities. Please note that subsection 254(2)(a) of the RO Act does not require a *financial* result. It requires a description of the results from providing services to members. In future years please ensure the Operating Report contains a description of the results of its principal activities.

Addendum to the Financial Reports for the New South Wales Branch of the Australian Education Union for the year ended 31 December 2009 (FR2009/10301)

5. Operating Report - Significant changes in financial affairs

[Subsection 254\(2\)\(b\) of the RO Act](#) requires an operating report to give details of any significant changes in the reporting unit's financial affairs during the year. The Operating Report states that there no significant changes in the *state of affairs* of the union. In future years this statement should address whether there were any significant changes in the *financial affairs* of the union.

6. Committee of Management Statement: two or more reporting units

Both the Concise Report and the Full Report include two Committee of Management statements made and signed on 14 August 2010, however only one should be lodged with each report. One of the two statements does not address whether the financial records have been kept in a consistent manner to each of the other reporting units (as required by item 25(e) of [the Reporting Guidelines](#)). In future years please ensure that the Committee of Management statement addresses whether or not the financial records have been kept in a consistent manner.

7. Auditor's qualifications

[Regulation 4](#) defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants, and holds a current Public Practice Certificate. In all likelihood the auditor is such a person. However, it is our preference that this is made explicit in future auditor's reports.



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 June 2010

In reply please quote:

766 /2010/JI:sr

Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001

Delivery by email: iain.stewart@fwa.gov.au

Dear Sir/Madam

Re: Australian Education Union (NSW Branch) Financial Documents for the year ended 31 December 2009.

Please find enclosed duly completed:

- a) Certificate of Secretary
- b) Certified copy of the financial report for the year ending 31 December 2009 including auditors report.

Yours sincerely

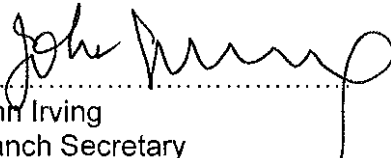

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JOHN IRVING
BRANCH SECRETARY

Certificate of Secretary
s268 *Fair Work (Registered Organisations) Act 2009*

I, John Irving, being the Branch Secretary 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 *Fair Work (Registered Organisations) Act 2009*; and
- that the full report, was provided to a Committee of Management meeting on the 13th March 2010; and
- that the Committee of Management at its 13th March 2010 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 3rd May 2010 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 5th June 2010 in accordance with section 266 (3) of the *Fair Work (Registered Organisations) Act 2009*.

For and on behalf of the Australian Education Union (NSW Branch)


.....
John Irving
Branch Secretary

Date: 7 June 2010

“ I certify this to be a copy of the original”

.....
John Irving
BRANCH SECRETARY

AUSTRALIAN EDUCATION
UNION
(NEW SOUTH WALES BRANCH)

ABN: 86 600 150 697

FINANCIAL REPORT
31 DECEMBER 2009

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

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

Your committee present the report on the union for the financial year ended 31 December 2009.

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	Brenda Seymour	Sui-Linn White
Nola Edsall	Pamela Gregg	Geoff Turnbull
John Irving	Robert Lipscombe	Maurie Mulheron
Garry Grant	Sue Simpson	Peter Wilson
John Dixon	Deborah Marten	Maree O'Halloran
Phil Bradley	Linda Simon	Khyiah Angel
Michael De Wall	Frank Barnes	Rod Brown
Nicole Calnan	Wendy Currie	Peter de Graff
Kathy Deacon	Jenny Diamond	Sally Edsall
David Ferguson	Janet Hannaford	Joan Lemaire
Dennis Long	Charmaine O'Sheades	Fionie Stavert
Debbie Westacott	David Wynne	

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 \$887 (2008: loss of \$1,565).

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 2009 was 62,419 (2008: 62,403)

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

Superannuation Trustees

No officer or member of the organisation holds 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.

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 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.

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

Rights of members to resign (cont.)

- (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.”

On 13th March 2010 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 2009:

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;
- (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 registration and accountability of organisations (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.
 - (vii) the organisation has not undertaken any recovery of wages activity for the financial year.

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

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 13th Day of March 2010

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	Note	2009 \$	2008 \$
Revenues			
Grants		2,000	-
Interest received		182	555
Agency collections		2,281,920	2,368,743
Total revenues		<u>2,284,102</u>	<u>2,369,298</u>
Expenses			
Audit of financial report	5	3,000	2,050
Capitation fees paid to Federal Office		2,281,920	2,368,743
Total WRA Regulations disclosures		<u>2,284,920</u>	<u>2,370,793</u>
Travel costs		-	-
Finance costs		69	70
Total expenses		<u>2,284,989</u>	<u>2,370,863</u>
Loss for the year		<u>(887)</u>	<u>(1,565)</u>
Other comprehensive income		-	-
Total comprehensive income		<u>(887)</u>	<u>(1,565)</u>

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

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	2009	2008
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	3,430	3,050
Trade and other receivables	11	425,467
TOTAL CURRENT ASSETS	<u>3,441</u>	<u>428,517</u>
TOTAL ASSETS	<u>3,441</u>	<u>428,517</u>
CURRENT LIABILITIES		
Trade and other payables	3,000	427,189
TOTAL CURRENT LIABILITIES	<u>3,000</u>	<u>427,189</u>
TOTAL LIABILITIES	<u>3,000</u>	<u>427,189</u>
NET ASSETS	<u>441</u>	<u>1,328</u>
EQUITY		
Retained earnings	441	1,328
TOTAL EQUITY	<u>441</u>	<u>1,328</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 2009

	Retained Earnings \$	TOTAL \$
Balance at 31 December 2007	2,893	2,893
Total comprehensive income for 2008	<u>(1,565)</u>	<u>(1,565)</u>
Balance at 31 December 2008	<u>1,328</u>	<u>1,328</u>
Total comprehensive income for 2009	<u>(887)</u>	<u>(887)</u>
Balance at 31 December 2009	<u>441</u>	<u>441</u>

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

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	Note	2009	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grants received		2,000	-
Agency Collections		2,281,920	1,944,053
Interest received		171	550
Payments in the course of operations		<u>(2,283,711)</u>	<u>(1,944,122)</u>
Net cash provided by operating activities	6 (a)	380	481
CASH FLOWS FROM INVESTING ACTIVITIES			
		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
Net increase in cash held		380	481
Cash at beginning of year		<u>3,050</u>	<u>2,569</u>
Cash at end of the year	6 (b)	<u>3,430</u>	<u>3,050</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 2009

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, including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board as well as the requirements of the Fair Work (Registered Organisations) Act 2009. Compliance with Australian Accounting Standards ensures that the financials statements and notes also comply with International Financial Reporting Standards.

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.

(c) Financial Risk management objectives and policies

The entity's principal financial instrument comprises receivables, payables and bank loans, cash and short term deposits. The entity manages credit risk in relation to trade receivables by undertaking transactions with organisations with good credit ratings.

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

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.

(d) Risk Exposure and Responses

Interest rate risk

The entity's exposure to market interest rates is minimal. The level of debt is disclosed in Note 7.

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(e) New accounting standards and interpretations

There have been new Australian Accounting Standards and Interpretations issued/ or amended that are applicable to the Australian Education Union (New South Wales Branch) but not yet effective. 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	Frank Barnes	Jenny Diamond
Nola Edsall	Kathy Deacon	Geoff Turnbull
John Dixon	Robert Lipscombe	Maurie Mulheron
Garry Grant	Sue Simpson	Sally Edsall
Brenda Seymour	Deborah Marten	Maree O'Halloran
Peter Wilson	Linda Simon	Fionie Stavert
Phil Bradley	Debbie Westacott	David Wynne

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 2009 was \$2,281,920 (2008: \$2,368,743). Agency Collection fees were received from the New South Wales Teachers Federation for the same amount.

NOTE 4: NOTICE REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, 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

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

NOTE 4: NOTICE REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009(CONT)

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).

	2009	2008
	\$	\$

NOTE 5: AUDITOR'S REMUNERATION

Audit of financial report	<u>3,000</u>	<u>2,500</u>
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NOTE 6: CASH FLOW INFORMATION

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

Operating (deficit)	(887)	(1,565)
Changes in assets and liabilities during the financial year:		
Decrease/(increase) in debtors	425,456	(424,693)
(Increase)/decrease in creditors	<u>(424,189)</u>	<u>426,739</u>
Net cash flows from operating activities	<u>380</u>	<u>481</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>3,430</u>	<u>3,050</u>
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**AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

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.

(d) Sensitivity Analysis

The Branch has no exposure to interest rate risk.

NOTE 8: 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 9: 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 Audit Pty Ltd
ACN 130 913 594

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Sydney NSW 1230

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W 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 of Australian Education Union (New South Wales Branch) which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes to the financial statements and the statement by the Committee of Management of Australian Education Union (New South Wales Branch).

Responsibility of the Committee of Management 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 Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal controls 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 and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

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 judgement, 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 preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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

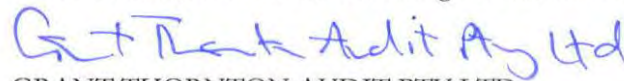
In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's opinion

In our opinion:

- a satisfactory accounting records were kept by the Branch in respect of the year ended 31 December 2009, 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 Section 265 of the RO Act and reg. 161 of the Fair Work (Registered Organisation) Regulations 2009 (RO regulations) and applicable Australian Accounting Standards including the Australian Accounting Interpretations, the financial position of the Branch as at 31 December 2009, and of its performance and its cash flows for the year then ended.
- c the financial statements also comply 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 AUDIT PTY LTD
Chartered Accountants



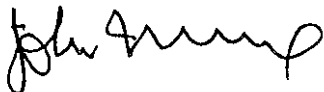
M A Adam-Smith
Director - Audit & Assurance Services

Sydney, 13 March 2010

AUSTRALIAN EDUCATION UNION (NEW SOUTH WALES BRANCH):

These accounts are a summary of the activities of the New South Wales Branch of the federal union, the Australian Education Union.

The 2009 year was one in which very little activity occurred and the financial activity was mostly limited to the receipt of funds collected on behalf of the Federal branch of the union by the New South Wales Teachers Federation. These funds were received and then transferred to the federal body.



**JOHN IRVING
BRANCH SECRETARY**

**AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)
SUMMARY OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

The financial statements of the Union have been audited in accordance with the provisions of the Fair Work (Registered Organisations) Act 2009 and the following summary is provided for members in accordance with Section 279(2) of the Act.

A copy of the Auditors' Report, Accounts and Statements will be supplied free of charge to members who request same.

Certificates required to be given under the Act by the Accounting Officer and the Committee of Management have been completed in accordance with the provisions of the Act and contain no qualifications. The financial statements, specific disclosures and other information included in the concise financial report are derived from, and are consistent with, the full financial report of Australian Education Union (New South Wales Branch).

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Section 274 (1) and (2) and (3), which read as follows:

- (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 an application made at the request of the member.

Discussion and Analysis of the Financial Statements

Information on Australian Education Union (New South Wales Branch) Financial Report

The financial statements and disclosures in the concise financial report have been derived from the 31 December 2009 financial report of Australian Education Union (New South Wales Branch).

The discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on Australian Education Union (New South Wales Branch) financial statements and the information contained in the concise financial report has been derived from the full 2009 Financial Report of Australian Education Union (New South Wales Branch).

Statement of Comprehensive Income

Loss for the year of \$887 was down \$678 from the prior year (2008: loss of \$1,565), largely due to receipt of \$2,000 as grants from NSW Teachers Federation.

Agency collections income of \$2,281,920 decreased 3.7% from the prior year (2008: \$2,368,743) due to reduced activity on a federal level.

Statement of Financial Position

Total assets decreased by \$425,076 from \$428,517 in 2008 to \$3,441 in 2009, representing an decrease of 99%. This decrease was mainly attributable to a decrease in trade and other payables for the same amount.

Total liabilities have decreased by \$424,189 from \$427,189 in 2008 to \$3,000 in 2009 due to a decrease in trade and other receivables for the same amount.

Equity has decreased by 67% from \$1,328 in 2008 to \$441 in 2009. This was due to the net loss for the year decreasing retained earnings by \$887.

Cash Flow Statement

Cash has increased by \$380 from \$3,050 in 2008 to \$3,430 in 2009 representing an increase of 12%. The net cash inflow from operating activities has decreased by \$101 from \$481 in 2008 to \$380 in 2009 due to increased payments in the course of operations.

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	2009	2008
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	3,430	3,050
Trade and other receivables	11	425,467
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	3,441	428,517
	<hr/>	<hr/>
TOTAL ASSETS	3,441	428,517
	<hr/>	<hr/>
CURRENT LIABILITIES		
Trade and other payables	3,000	427,189
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	3,000	427,189
	<hr/>	<hr/>
TOTAL LIABILITIES	3,000	427,189
	<hr/>	<hr/>
NET ASSETS	441	1,328
	<hr/>	<hr/>
EQUITY		
Retained earnings	441	1,328
	<hr/>	<hr/>
TOTAL EQUITY	441	1,328
	<hr/>	<hr/>

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009	2008
	\$	\$
Revenues		
Grants	2,000	-
Interest received	182	555
Agency collections	<u>2,281,920</u>	<u>2,368,743</u>
Total revenues	<u>2,284,102</u>	<u>2,369,298</u>
Expenses		
Audit of financial report	3,000	2,050
Capitation fees paid to Federal Office	<u>2,281,920</u>	<u>2,368,743</u>
Total WRA Regulations disclosures	<u>2,284,920</u>	<u>2,370,793</u>
Travel costs	-	-
Finance costs	<u>69</u>	<u>70</u>
Total expenses	<u>2,284,989</u>	<u>2,370,863</u>
Loss for the year	<u>(887)</u>	<u>(1,565)</u>
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u>(887)</u>	<u>(1,565)</u>

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009

	Retained Earnings \$	TOTAL \$
Balance at 31 December 2007	2,893	2,893
Total comprehensive income for 2008	<u>(1,565)</u>	<u>(1,565)</u>
Balance at 31 December 2008	<u>1,328</u>	<u>1,328</u>
Total comprehensive income for 2009	<u>(887)</u>	<u>(887)</u>
Balance at 31 December 2009	<u>441</u>	<u>441</u>

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	2009	2008
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Grants received	2,000	-
Agency Collections	2,281,920	1,944,053
Interest received	171	550
Payments in the course of operations	<u>(2,283,711)</u>	<u>(1,944,122)</u>
Net cash provided by operating activities	380	481
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net increase in cash held	380	481
Cash at beginning of year	<u>3,050</u>	<u>2,569</u>
Cash at end of the year	<u><u>3,430</u></u>	<u><u>3,050</u></u>

Grant Thornton Audit Pty Ltd
ABN 25 034 787 757

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Sydney NSW 2000
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QVB Post Office
Sydney NSW 1230

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F +61 2 9299 4445
E info.nsw@grantthornton.com.au
W www.grantthornton.com.au

**Independent Auditor's Report
To the Members of the Australian Education Union (New South Wales
Branch)**

We have audited the accompanying concise financial report of Australia Education Union (New South Wales Branch), comprising the statement of financial position as at 31 December 2009, and the statement of comprehensive income and statement of cash flows for, and related notes, which was derived from the financial report of Australian Education Union (New South Wales Branch) for the year ended 31 December 2009. We expressed an unmodified auditor's opinion on that financial report in our auditor's report dated 13 March 2010.

Responsibility of the Committee of Management for the financial statements

The Committee of Management is responsible for the preparation and fair presentation of the summarised financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our procedures, which were conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements.

Independence

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

Auditor's opinion

In our opinion, the information reported in the concise financial report is consistent, in all material respects, with the financial report from which it was derived and complies with the Accounting Standard AASB 101: Presentation of Financial Statements. For a better understanding of the financial position of Australian Education Union (New South Wales Branch) as at 31 December 2009, its financial performance for the year ended and the scope of our audit, the concise financial report should be read in conjunction with the unabridged financial report and the auditor's report thereon.

Grant Thornton Audit Pty Ltd
GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M A Adam-Smith
Director - Audit & Assurance Services

Sydney, 13 March 2010



FAIR WORK
AUSTRALIA

2 July 2010

Mr John Irving
Secretary
Australian Education Union, New South Wales Branch
22-23 Mary Street
Surry Hills NSW 2010
By email: jirving@nswtf.org.au

cc: Steve Ruzic
Australian Education Union, NSW Branch
22-23 Mary Street
Surry Hills NSW 2010
By email: sruzic@nswtf.org.au

cc: M A Adam-Smith
Director, Audit & Assurance Services
Grant Thornton
PO Locked Bag Q800
QVB Post Office
Sydney NSW 1230
By email: info.nsw@grantthornton.com.au

**Financial report for the AEU NSW Branch for the year ended 31 December 2009
(FR2010/10301)**

Dear Mr Irving

I acknowledge receipt of the financial report of the New South Wales Branch of the Australian Education Union for the year ended 31 December 2009. The documents were lodged with Fair Work Australia on 8 June 2010.

The financial report has not been filed as a number of matters, the details of which are set out below, need to be attended to before the report can be filed.

1. Full report: Audit Opinion

[Section 257\(5\)](#) of the RO Act requires an auditor to state whether the general purpose financial report is presented fairly in accordance the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act). However the audit opinion is limited to section 265 of the RO Act and regulation 161. In order to satisfy legislative requirements the Branch is required to obtain an audit opinion as to whether the general purpose financial report is presented fairly in accordance with *all* the requirements of Part 3 of Chapter 8 of the RO Act.

2. Concise report: Required statements and documents

[Section 265](#) of the (the RO Act) and [regulation 161](#) requires a concise report to contain certain documents and statements. The Operating Report and the Committee of Management Statement have been omitted from the concise report.

In order to ensure legislative requirements are satisfied please provide the concise report to members again, ensuring that the Operating Report and Committee of Management Statement are included.

3. Agency collections

Note 3(b) explains that agency collection fees were received from the NSW Teachers Federation (NSWTF). The branch's ability to continue as a going concern appears to be dependent on the NSWTF's capacity and willingness to continue to forward agency fees to the branch. The notes to the financial statements should explain why the branch can reasonably expect that this will continue to occur in future financial years. For example, if an agreement exists between the NSWTF and the NSW Branch of the AEU that the NSWTF pays an approved amount to the Branch for each member of the NSWTF (as enabled by rule 11(7) of the AEU rules), then the notes to the financial statements should state this.

The branch's ability to continue as a going concern also appears to be dependent on the receipt of a grant from the NSWTF. The notes to the financial statements should explain why the branch can reasonably expect this will continue to occur in future financial years.

The Branch is requested therefore to provide in writing an explanation as to why it can reasonably expect that the NSWTF will continue to forward agency fees and grants to the Branch.

Summary

Accordingly, in order to secure compliance with your obligations under the RO Act, the branch is required to:

- obtain an audit opinion as to whether the general purpose financial report is presented fairly in accordance with *all* the requirements of Part 3 of Chapter 8 of the RO Act;
- provide the concise report to members again, ensuring that the Operating Report and Committee of Management Statement are included; and
- provide in writing an explanation as to why it can reasonably expect that the NSWTF will continue to forward agency fees and grants to the Branch.

If you have any queries I can be contacted on 03 8661 7929 and via email on eve.anderson@fwa.gov.au. I have also provided your auditor with a copy of this letter.

Yours sincerely



Eve Anderson
Tribunal Services and Organisations
Fair Work Australia
Tel: 03 86617929

Email: eve.anderson@fwa.gov.au



Australian Education Union

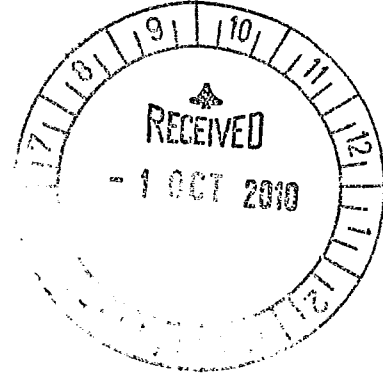
New South Wales Branch

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

29 September 2010

In reply please quote: 1226/2010/JD:jw

Ms Eve Anderson
Tribunal Services and Organisations
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001



Dear Ms Anderson

**Re: Financial Report for the AEU NSW Branch for the year ended 31 December 2009
(FR2010/10301)**

I am responding in relation to the letter you sent to the AEU NSW Branch on 2nd July 2010 and the subsequent discussions that you had with Ms Susan Hopgood, Federal Secretary of the AEU in relation to the deficiencies sighted in our financial report for the year ending 31 December 2009.

We have addressed the issues as follows:

- We have an audit report dated 14 August 2010 that shows the general purpose financial report is presented fairly in accordance with all the requirements of Part 3 of Chapter 8 of the RO Act.
- We have provided a concise report to members again and we have ensured that the Operating Report and Committee of Management Statement was included in such reporting. This was provided in the journal, "Education" which was sent to every financial member of the AEU NSW Branch on 30 August 2010 (see attachment). This followed presentation to the Branch Committee of Management on 14 August 2010.
- We have written confirmation from the NSW Teachers Federation, the Associated Body, indicating it will continue to forward agency fees and grants to the Branch to allow the AEU NSW Branch to operate as a going concern. There are two clauses to this effect in the full Financial Report. Please find attached the letter from the NSW Teachers Federation's Acting General Secretary, Wendy Currie, to the AEU NSW Branch, to this effect.
- The full report was presented to the Branch Council meeting of 21 September 2010.

I have also included the documents necessary for lodgement under section 268 of the *Fair Work (Registered Organisation) Act 2009*, namely:

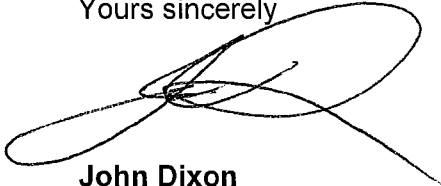
- a) Certificate of Secretary.
- b) A copy of the Concise Report.

c) Certified copy of the financial report for the year ending 31 December 2009 including auditors' report.

We are happy to also provide any of the attachments as electronic documents.

If you have any further inquiries please contact me on (02) 9217 2346 (direct) or email dixon@nswtf.org.au

Yours sincerely

A handwritten signature in black ink, appearing to be 'John Dixon', written over a large, stylized circular flourish.

John Dixon
Acting Branch Secretary

Encls: 5



Australian Education Union

New South Wales Branch

Federal Office: 120 Clarendon Street, South Melbourne VIC 3205

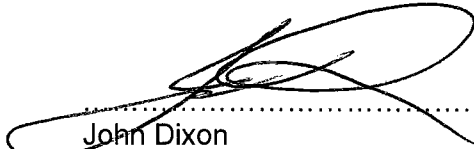
NSW Branch Office: 23-33 Mary Street, Surry Hills NSW 2010

Certificate of Secretary
s268 *Fair Work (Registered Organisations) Act 2009*

I, John Dixon, being the Acting Branch Secretary of the Australian Education Union (New South Wales Branch), certify:

- that the documents lodged herewith are copies of the full report and concise report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the concise report was presented to the Committee of Management on 14 August 2010 and provided to all members on 30 August 2010;
- that the full report was presented to a meeting of the Branch Council of the Australian Education Union (New South Wales Branch) on 21 September 2010 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

For and on behalf of the Australian Education Union (NSW Branch)



John Dixon
Acting Branch Secretary

Date: 29 September 2010



NSW TEACHERS FEDERATION

TEACHERS FEDERATION HOUSE Locked Bag 3010 Darlinghurst NSW 1300

Please address all correspondence to
THE GENERAL SECRETARY

11 August 2010

In reply please quote: 2010/JD/jw

The Committee of Management
Australian Education Union
NSW Branch Executive

Dear Colleagues

I write in relation to the Australian Education Union NSW Branch auditors' fees and bank fees for the management of AEU membership fees and audited accounts. These costs are outlined in the NSW Branch Accounts and Financial Statements 2009.

In the past the NSW Teachers Federation has, on occasion, provided financial assistance to the Branch to cover such auditors' fees and bank account fees where required.

The NSW Teachers Federation will provide similar financial support in respect of these items and when they fall due for a period of twelve months from the date of this letter.

I also undertake to inform you immediately in the event that circumstances change in such a manner that the NSW Teachers Federation is unable to continue to provide such financial support.

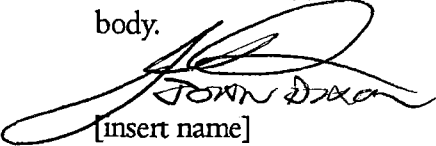
Yours sincerely

Wendy Currie
Acting General Secretary

AUSTRALIAN EDUCATION UNION (NEW SOUTH WALES BRANCH):

These accounts are a concise view of the activities of the New South Wales Branch of the federal union, the Australian Education Union.

The 2009 year was one in which very little activity occurred and the financial activity was mostly limited to the receipt of funds collected on behalf of the Federal branch of the union by the New South Wales Teachers Federation. These funds were received and then transferred to the federal body.



[insert name]

ACTING BRANCH SECRETARY

**AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)
SUMMARY OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

The financial statements of the Union have been audited in accordance with the provisions of the Fair Work (Registered Organisations) Act 2009 and the following summary is provided for members in accordance with Section 279(2) of the Act.

A copy of the Auditors' Report, Accounts and Statements will be supplied free of charge to members who request same.

Certificates required to be given under the Act by the Accounting Officer and the Committee of Management have been completed in accordance with the provisions of the Act and contain no qualifications. The financial statements, specific disclosures and other information included in the concise financial report are derived from, and are consistent with, the full financial report of Australian Education Union (New South Wales Branch).

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Section 274 (1) and (2) and (3), which read as follows:

- (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 an application made at the request of the member.

**AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)
OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

Your committee present the report on the union for the financial year ended 31 December 2009.

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	Brenda Seymour	Sui-Linn White
Nola Edsall	Pamela Gregg	Geoff Turnbull
John Irving	Robert Lipscombe	Maurie Mulheron
Garry Grant	Sue Simpson	Peter Wilson
John Dixon	Deborah Marten	Maree O'Halloran
Phil Bradley	Linda Simon	Khyiah Angel
Michael De Wall	Frank Barnes	Rod Brown
Nicole Calnan	Wendy Currie	Peter de Graff
Kathy Deacon	Jenny Diamond	Sally Edsall
David Ferguson	Janet Hannaford	Joan Lemaire
Dennis Long	Charmaine O'Sheades	Fionie Stavert
Debbie Westacott	David Wynne	

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 \$887 (2008: loss of \$1,565).

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 2009 was 62,419 (2008: 62,403)

Superannuation Trustees

No officer or member of the organisation holds 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.

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 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.

Rights of members to resign (cont.)

- (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.”

On 14 August 2010 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 2009:

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

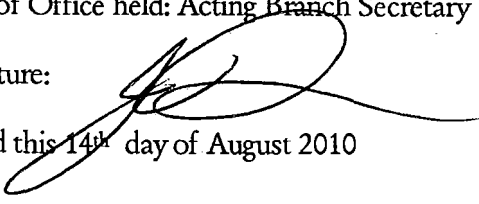
- (a) the financial statements and notes comply with Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows for the 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 registration and accountability of organisations (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 or 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.
 - (vii) the organisation has not undertaken any recovery of wages activity for the financial year.

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

Name of officer: JOHN DIXON
Title of Office held: Acting Branch Secretary

Signature:

Dated this 14th day of August 2010



**AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)
COMMITTEE OF MANAGEMENT REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

In accordance with Section 253(2)(c) of the Fair Work (Registered Organisations) Act 2009, the Committee of Management of the Australian Education Union (New South Wales Branch) passed the following resolution, in relation to the financial report of the reporting unit for the financial year ended 31 December 2009:

The Committee of Management declares in relation to the financial report 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 of Fair Work Australia;
- ~~(c) the financial statements and notes give a true and fair view for the financial performance financial position and cash flows of the reporting unit for the financial year to which they relate;~~
- (d) there are reasonable grounds to believe 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 the financial report relates and since the end of the 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 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 Fair Work (Registered Organisations) regulations 2009; and
 - (iv) no requests have been made by a member or a Registrar under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (v) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
- (f) In relation to the recovery of wages activity:
 - (i) There has been no such activity undertaken by the reporting unit.

This report is made in accordance with a resolution of the Committee of Management dated 14 August 2010.

JOHN DIXON
Acting Branch Secretary

Dated: 14 August 2010
Sydney, NSW

Discussion and Analysis of the Financial Statements

Information on Australian Education Union (New South Wales Branch) Financial Report

The financial statements and disclosures in the concise financial report have been derived from the 31 December 2009 financial report of Australian Education Union (New South Wales Branch).

The discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on Australian Education Union (New South Wales Branch) financial statements and the information contained in the concise financial report has been derived from the full 2009 Financial Report of Australian Education Union (New South Wales Branch).

Statement of Comprehensive Income

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~~Membership fee income of the AEU of \$2,281,920 decreased 3.7% from the prior year (2008: \$2,368,743) due to reduced activity on a federal level.~~

Statement of Financial Position

Total assets decreased by \$425,076 from \$428,517 in 2008 to \$3,441 in 2009, representing an decrease of 99%. This decrease was mainly attributable to a decrease in trade and other payables for the same amount.

Total liabilities have decreased by \$424,189 from \$427,189 in 2008 to \$3,000 in 2009 due to a decrease in trade and other receivables for the same amount.

Equity has decreased by 67% from \$1,328 in 2008 to \$441 in 2009. This was due to the net loss for the year decreasing retained earnings by \$887.

Cash Flow Statement

Cash has increased by \$380 from \$3,050 in 2008 to \$3,430 in 2009 representing an increase of 12%. The net cash inflow from operating activities has decreased by \$101 from \$481 in 2008 to \$380 in 2009 due to increased payments in the course of operations.

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	2009 \$	2008 \$
CURRENT ASSETS		
Cash and cash equivalents	3,430	3,050
Trade and other receivables	11	425,467
	3,441	428,517
TOTAL CURRENT ASSETS	3,441	428,517
TOTAL ASSETS	3,441	428,517
<hr/>		
CURRENT LIABILITIES		
Trade and other payables	3,000	427,189
	3,000	427,189
TOTAL CURRENT LIABILITIES	3,000	427,189
TOTAL LIABILITIES	3,000	427,189
	441	1,328
NET ASSETS	441	1,328
EQUITY		
Retained earnings	441	1,328
	441	1,328
TOTAL EQUITY	441	1,328

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

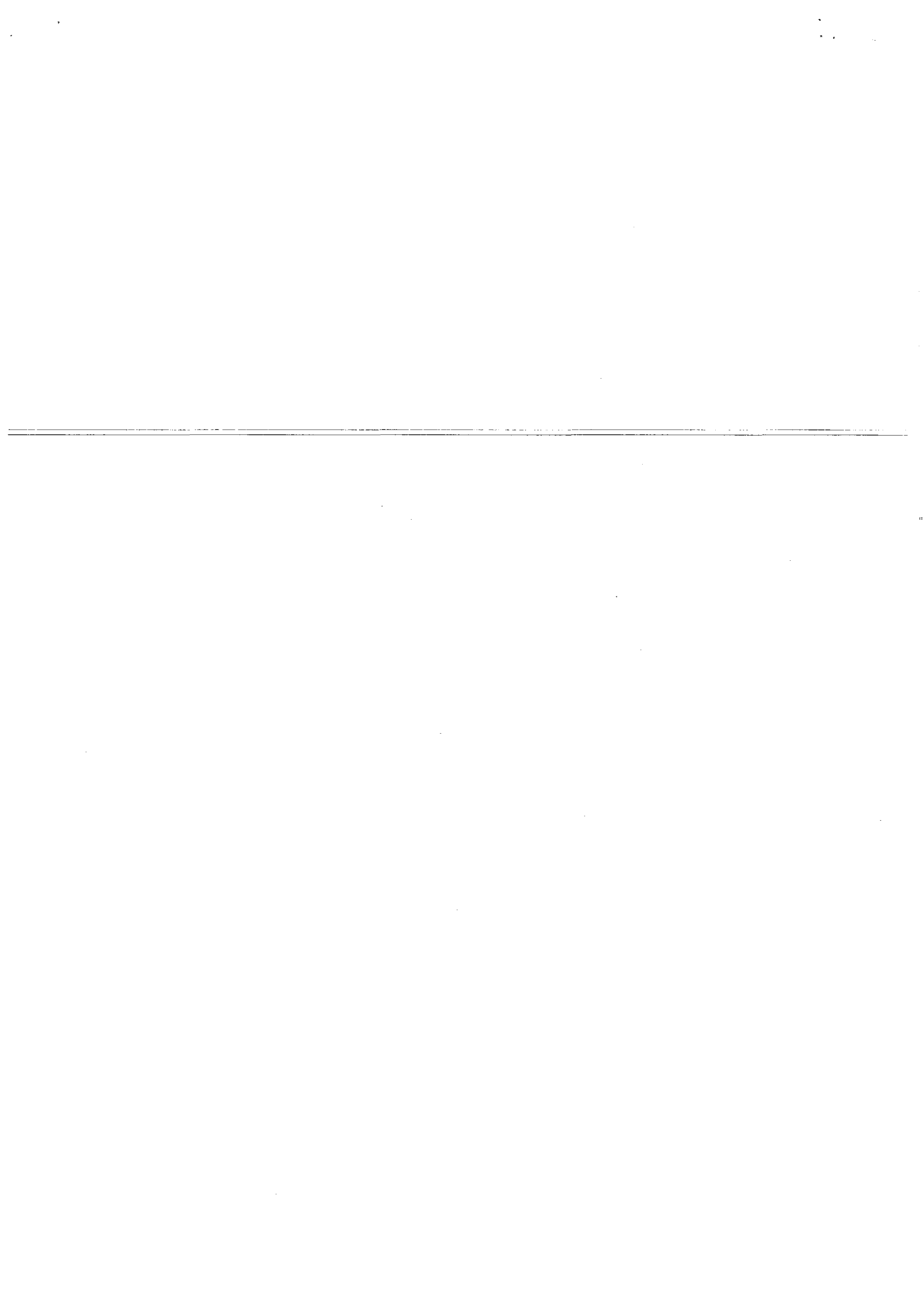
	2009	2008
	\$	\$
Revenues		
Grants	2,000	-
Interest received	182	555
Agency collections	2,281,920	2,368,743
Total revenues	2,284,102	2,369,298
Expenses		
Audit of financial report	3,000	2,050
Capitation fees paid to Federal Office	2,281,920	2,368,743
Total WRA Regulations disclosures	2,284,920	2,370,793
Travel costs	-	-
Finance costs	69	70
Total expenses	2,284,989	2,370,863
Loss for the year	(887)	(1,565)
Other comprehensive income	-	-
Total comprehensive income	(887)	(1,565)

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009

	Retained Earnings	TOTAL
	\$	\$
Balance at 31 December 2007	2,893	2,893
Total comprehensive income for 2008	(1,565)	(1,565)
Balance at 31 December 2008	1,328	1,328
Total comprehensive income for 2009	(887)	(887)
Balance at 31 December 2009	441	441

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	2009	2008
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Grants received	2,000	-
Membership fees of the AEU	2,281,920	1,944,053
Interest received	171	550
Payments in the course of operations	<u>(2,283,711)</u>	<u>(1,944,122)</u>
Net cash provided by operating activities	380	481
CASH FLOWS FROM INVESTING ACTIVITIES		
	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
	<u>-</u>	<u>-</u>
Net increase in cash held	380	481
Cash at beginning of year	<u>3,050</u>	<u>2,569</u>
Cash at end of the year	<u><u>3,430</u></u>	<u><u>3,050</u></u>



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Independent Auditor's Report**To the Members of the Australian Education Union (New South Wales Branch)**

We have audited the accompanying concise financial report of Australia Education Union (New South Wales Branch), comprising the statement of financial position as at 31 December 2009, and the statement of comprehensive income and statement of cash flows for, and related notes, which was derived from the financial report of Australian Education Union (New South Wales Branch) for the year ended 31 December 2009. We expressed an unmodified auditor's opinion on that financial report in our auditor's report dated 13 March 2010.

Responsibility of the Committee of Management for the financial statements

The Committee of Management is responsible for the preparation and fair presentation of the summarised financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our procedures, which were conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements.

Independence

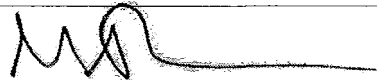
In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's opinion

In our opinion, the information reported in the concise financial report is consistent, in all material respects, with the financial report from which it was derived and complies with the Accounting Standard AASB 101: Presentation of Financial Statements. For a better understanding of the financial position of Australian Education Union (New South Wales Branch) as at 31 December 2009, its financial performance for the year ended and the scope of our audit, the concise financial report should be read in conjunction with the unabridged financial report and the auditor's report thereon.



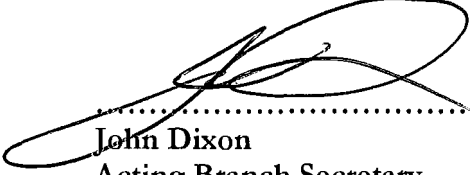
GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M A Adam-Smith
Director - Audit & Assurance

Sydney, 14 August 2010

“I certify this to be a copy of the original”


..... 29-9-10
John Dixon
Acting Branch Secretary

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

ABN: 86 600 150 697

**FINANCIAL REPORT
31 DECEMBER 2009**

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

**OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

Your committee present the report on the union for the financial year ended 31 December 2009.

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	Brenda Seymour	Sui-Linn White
Nola Edsall	Pamela Gregg	Geoff Turnbull
John Irving	Robert Lipscombe	Maurie Mulheron
Garry Grant	Sue Simpson	Peter Wilson
John Dixon	Deborah Marten	Maree O'Halloran
Phil Bradley	Linda Simon	Khyiah Angel
Michael De Wall	Frank Barnes	Rod Brown
Nicole Calnan	Wendy Currie	Peter de Graff
Kathy Deacon	Jenny Diamond	Sally Edsall
David Ferguson	Janet Hannaford	Joan Lemaire
Dennis Long	Charmaine O'Sheades	Fionie Stavert
Debbie Westacott	David Wynne	

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 \$887 (2008: loss of \$1,565).

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 2009 was 62,419 (2008: 62,403)

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

**OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

Superannuation Trustees

No officer or member of the organisation holds 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.

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 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.

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

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

Name of officer: [insert name] *JOHN DIXON*
Title of Office held: ~~Acting~~ Branch Secretary

Signature: 

Dated: 14 August 2010

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	Note	2009 \$	2008 \$
Revenues			
Grants		2,000	-
Interest received		182	555
Membership fees of the AEU		2,281,920	2,368,743
Total revenues		<u>2,284,102</u>	<u>2,369,298</u>
Expenses			
Audit of financial report	5	3,000	2,050
Capitation fees paid to Federal Office		2,281,920	2,368,743
Total WRA Regulations disclosures		<u>2,284,920</u>	<u>2,370,793</u>
Travel costs		-	-
Finance costs		69	70
Total expenses		<u>2,284,989</u>	<u>2,370,863</u>
Loss for the year		<u>(887)</u>	<u>(1,565)</u>
Other comprehensive income		-	-
Total comprehensive income		<u>(887)</u>	<u>(1,565)</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 2009

	Retained Earnings \$	TOTAL \$
Balance at 31 December 2007	2,893	2,893
Total comprehensive income for 2008	<u>(1,565)</u>	<u>(1,565)</u>
Balance at 31 December 2008	<u>1,328</u>	<u>1,328</u>
Total comprehensive income for 2009	<u>(887)</u>	<u>(887)</u>
Balance at 31 December 2009	<u>441</u>	<u>441</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 2009**

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, including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board as well as the requirements of the Fair Work (Registered Organisations) Act 2009. Compliance with Australian Accounting Standards ensures that the financials statements and notes also comply with International Financial Reporting Standards.

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. Grant revenue is received from the New South Wales Teachers Federation (the associated body) and appears in in that associated bodies audited financial statements.

Membership fees of the Australian Education Union (AEU) are recognised for the financial year to which they relate. Membership fees of the AEU received in advance are 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 entity's principal financial instrument comprises receivables, payables and bank loans, cash and short term deposits. The entity manages credit risk in relation to trade receivables by undertaking transactions with organisations with good credit ratings.

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

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.

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

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	Frank Barnes	Jenny Diamond
Nola Edsall	Kathy Deacon	Geoff Turnbull
John Dixon	Robert Lipscombe	Maurie Mulheron
Garry Grant	Sue Simpson	Sally Edsall
Brenda Seymour	Deborah Marten	Maree O'Halloran
Peter Wilson	Linda Simon	Fionie Stavert
Phil Bradley	Debbie Westacott	David Wynne

No remuneration was received by Officers or Executive members during the year.

(b) Related party transactions

Membership fees of the AEU, paid to the Australian Education Union during 2009 was \$2,281,920 (2008: \$2,368,743). Membership fees of the AEU were received from the New South Wales Teachers Federation for the same amount. Membership fees of the AEU are budgeted for and appear in the audited financial statements of the New South Wales Teachers Federation (the associated body), for payment to the Australian Education Union (New South Wales Branch)

NOTE 4: NOTICE REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, 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).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

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.

(d) Sensitivity Analysis

The Branch has no exposure to interest rate risk.

NOTE 8: 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 9: 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.

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**Independent Auditor's Report
To the Members of Australian Education Union (New South Wales Branch)**

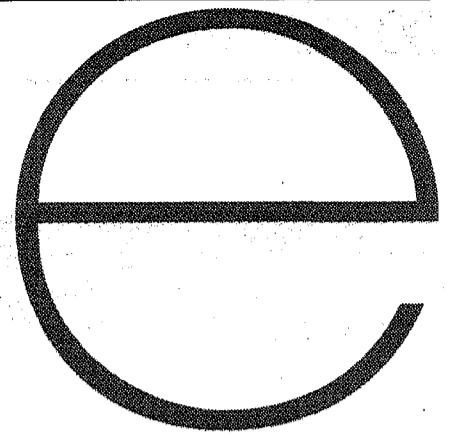
We have audited the accompanying financial report of Australian Education Union (New South Wales Branch) which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes to the financial statements and the statement by the Committee of Management of Australian Education Union (New South Wales Branch).

Responsibility of the Committee of Management 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 Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal controls 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 and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.



Australian Education Union (NSW Branch)



These accounts are a concise view of the activities of the NSW Branch of the federal union, the Australian Education Union.

The 2009 year was one in which very little activity occurred and the financial activity was mostly limited to the receipt of funds collected on behalf of the Federal branch of the union by the NSW Teachers Federation. These funds were received and then transferred to the federal body.

John Dixon
Acting Branch Secretary

Summary of the financial statements for the financial year ended 31 December 2009

The financial statements of the Union have been audited in accordance with the provisions of the Fair Work (Registered Organisations) Act 2009 and the following summary is provided for members in accordance with Section 279(2) of the Act.

A copy of the Auditors' Report, Accounts and Statements will be supplied free of charge to members who request same.

Certificates required to be given under the Act by the Accounting Officer and the Committee of Management have been completed in accordance with the provisions of the Act and contain no qualifications. The financial statements, specific disclosures and other information included in the concise financial report are derived from, and are consistent with, the full financial report of Australian Education Union (NSW Branch).

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Section 274 (1) and (2) and (3), which read as follows:

- (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 ap-

plication 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 an application made at the request of the member.

Operating report for the financial year ended 31 December 2009

Your committee present the report on the union for the financial year ended 31 December 2009.

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, Brenda Seymour, Sui-Linn White, Nola Edsall, Pamela Gregg, Geoff Turnbull, John Irving, Robert Lipscombe, Maurie Mulheron, Garry Grant, Sue Simpson, Peter Wilson, John Dixon, Deborah Marten, Maree O'Halloran, Phil Bradley, Linda Simon, Khyiah Angel, Michael de Wall, Frank Barnes, Rod Brown, Nicole Calnan, Wendy Currie, Peter de Graaff, Kathy Deacon, Jenny Diamond, Sally Edsall, David Ferguson, Janet Hannaford, Joan Lemaire, Dennis Long, Charmaine O'Sheades, Fionie Stavert, Debbie Westcott, David Wynne

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 \$887 (2008: loss of \$1,565).

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 activi-

ties 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 2009 was 62,419 (2008: 62,403).

Superannuation Trustees

No officer or member of the organisation holds 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.

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 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; whichever 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 jurisdic-

tion, 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 affected 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."

On 14 August 2010 the Committee of Management of Australian Education Union (NSW Branch) passed the following resolution in relation to the general purpose financial report (GPFR) of the Australian Education Union (NSW Branch) for the financial year ended 31 December 2009:

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;
- (c) the financial statements and notes give a true and fair view of the financial performance, finan-

Inside

33
By-election
City Organiser and
Welfare Officer

34
Eric Pearson Study
Grant
Applications close
October 12

Tree Levy
Applications close
October 15

<< 31 AEU

cial 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 registration and accountability of organisations (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.

(vii) the organisation has not undertaken any recovery of wages activity for the financial year.

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



John Dixon
Acting Branch Secretary
Dated this 14th day of August 2010

Committee of Management Report for the financial year ended 31 December 2009

In accordance with Section 253(2)(c) of the Fair Work (Registered Organisations) Act 2009, the Committee of Management of the Australian Education Union (NSW Branch) passed the following resolution, in relation to the financial report of the reporting unit for the finan-

cial year ended 31 December 2009:

The Committee of Management declares in relation to the financial report 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 of Fair Work Australia;

(c) the financial statements and notes give a true and fair view for the financial performance financial position and cash flows of the reporting unit for the financial year to which they relate;

(d) there are reasonable grounds to believe 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 the financial report relates and since the end of the 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 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 Fair Work (Registered Organisations) regulations 2009; and

(iv) no requests have been made by a member or a Registrar under section 272 of the Fair Work (Registered Organisations) Act 2009; and

(v) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.

(f) In relation to the recovery of wages activity:

(i) There has been no such activity undertaken by the reporting unit.

This report is made in accordance with a resolution of the Committee of Management dated 14 August 2010.



John Dixon
Acting Branch Secretary
Dated: 14 August 2010
Sydney, NSW

Discussion and analysis of the financial statements

Information on Australian Education Union (NSW Branch) Financial Report

The financial statements and disclosures in the concise financial report have been derived from the 31 December 2009 financial report of Australian Education Union (NSW Branch).

The discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on Australian Education Union (NSW Branch) financial statements and the information contained in the concise financial report has been derived from the full 2009 Financial Report of Australian Education Union (NSW Branch).

Statement of Comprehensive Income

Loss for the year of \$887 was down \$678 from the prior year (2008: loss of \$1,565), largely due to receipt of \$2,000 as grants from NSW Teachers Federation.

Membership fee income of the AEU of \$2,281,920 decreased 3.7% from the prior year (2008: \$2,368,743) due to reduced activity on a federal level.

Statement of Financial Position

Total assets decreased by \$425,076 from \$428,517 in 2008 to \$3,441 in 2009, representing a decrease of 99%. This decrease was mainly attributable to a decrease in trade and other payables for the same amount.

Total liabilities have decreased by \$424,189 from \$427,189 in 2008 to \$3,000 in 2009 due to a decrease in trade and other receivables for the same amount.

Equity has decreased by 67% from \$1,328 in 2008 to \$441 in 2009. This was due to the net loss for the year decreasing retained earnings by \$887.

Cash Flow Statement

Cash has increased by \$380 from \$3,050 in 2008 to \$3,430 in 2009 representing an increase of 12%. The net cash inflow from operating activities has decreased by \$101 from \$481 in 2008 to \$380 in 2009 due to increased payments in the course of operations.

Statement of financial position as at 31 December 2009

	2009	2008
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	3,430	3,050
Trade and other receivables	11	425,467
TOTAL CURRENT ASSETS	3,441	428,517
TOTAL ASSETS	3,441	428,517
CURRENT LIABILITIES		
Trade and other payables	3,000	427,189
TOTAL CURRENT LIABILITIES	3,000	427,189
TOTAL LIABILITIES	3,000	427,189
NET ASSETS	441	1,328
EQUITY		
Retained earnings	441	1,328
TOTAL EQUITY	441	1,328

Statement of comprehensive income for the year ended 31 December 2009

	2009	2008
	\$	\$
Revenues		
Grants	2,000	-
Interest received	182	555
Agency collections	2,281,920	2,368,743
Total revenues	2,284,102	2,369,298
Expenses		
Audit of financial report	3,000	2,050
Capitation fees paid to Federal Office	2,281,920	2,368,743
Total WRA Regulations disclosures	2,284,920	2,370,793
Travel costs	-	-
Finance costs	69	70
Total expenses	2,284,989	2,370,863
Loss for the year	(887)	(1,565)
Other comprehensive income	-	-
Total comprehensive income	(887)	(1,565)

Statement of changes in equity for the year ended 31 December 2009

	Retained Earnings	TOTAL
	\$	\$
Balance at 31 December 2007	2,893	2,893
Total comprehensive income for 2008	(1,565)	(1,565)
Balance at 31 December 2008	1,328	1,328
Total comprehensive income for 2009	(887)	(887)
Balance at 31 December 2009	441	441

Statement of cash flows for the financial year ended 31 December 2009

	2009	2008
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Grants received	2,000	-
Membership fees of the AEU	2,281,920	1,944,053
Interest received	171	550
Payments in the course of operations	(2,283,711)	(1,944,122)
Net cash provided by operating activities	380	481
CASH FLOWS FROM INVESTING ACTIVITIES		
	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
	-	-
Net increase in cash held	380	481
Cash at beginning of year	3,050	2,569
Cash at end of the year	3,430	3,050

Independent Auditor's Report to the members of the Australian Education Union (NSW Branch)

We have audited the accompanying concise financial report of Australian Education Union (NSW Branch), comprising the statement of financial position as at 31 December 2009, and the statement of comprehensive income and statement of cash flows for, and related notes, which was derived from the financial report of Australian Education Union (NSW Branch) for the year ended 31 December 2009. We expressed an unmodified auditor's opinion on that fi-

ancial report in our auditor's report dated 13 March 2010.

Responsibility of the Committee of Management for the financial statements

The Committee of Management is responsible for the preparation and fair presentation of the summarised financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial

report based on our procedures, which were conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements.

Independence

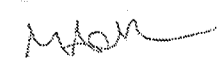
In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's opinion

In our opinion, the information reported in the concise financial report is consistent, in all material respects, with the financial report from which it was derived and complies with the Accounting Standard AASB 101: Presentation of Financial Statements. For a better understanding of the financial position of Australian Education Union (NSW Branch) as at 31 December 2009, its financial performance for the year

ended and the scope of our audit, the concise financial report should be read in conjunction with the unabridged financial report and the auditor's report thereon.

Grant Thornton Audit Pty Ltd
Grant Thornton Audit Pty Ltd
Chartered Accountants



M A Adam-Smith
Director - Audit & Assurance
Sydney, 14 August 2010