



FAIR WORK
AUSTRALIA

15 July 2011

Jenny Diamond
Branch Secretary
Australian Education Union - New South Wales

By Email: mail@nswtf.org.au

Dear Ms Diamond

**Financial report for the AEU NSW Branch for the year ended 31 December 2010
(FR2011/2898)**

I acknowledge receipt of the financial report of the New South Wales branch of the Australian Education Union for the year ended 31 December 2010. The documents were lodged with Fair Work Australia on 1 July 2011. I also acknowledge receipt of supplementary information on 14 July 2011 from your auditor, Mr Owen Baker of Grant Thornton.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

1. 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 the 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.

2. Auditor's qualifications

[Regulation 4 of the RO Regulations](#) 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.

A copy of this letter will also be forwarded to your auditor. Please contact me on 03 8661 7787 or scott.shepherd@fwa.gov.au if you have any queries regarding this matter.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Scott Shepherd', with a stylized flourish at the end.

Scott Shepherd
Tribunal Services and Organisations
Fair Work Australia

Cc: Mr Owen Baker
Manager - Audit & Assurance
Grant Thornton Australia

By Email: Owen.Baker@au.gt.com

Scott Shepherd
Tribunal Services and Organisations
Fair Work Australia
11 Exhibition Street
Melbourne VIC 3000

14 July 2011

Dear Mr Shepherd

**INDEPENDENT AUDITOR'S REPORT ON THE AUSTRALIAN
EDUCATION UNION (NSW BRANCH) FINANCIAL REPORT FOR THE
YEAR ENDED 31 DECEMBER 2010**

I refer to your correspondence sent to Jenny Diamond's attention on 13 July 2011 (as attached).

In our opinion the term "true and fair view", which is commonly used in our audit opinions, is interchangeable with "presented fairly".

As such; in our opinion the general purpose financial report, as dated 7 May 2011, is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Yours faithfully
GRANT THORNTON AUDIT PTY LTD



A G Rigele
Director - Audit & Assurance

Grant Thornton Audit Pty Ltd
ACN 130 913 594

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

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au



FAIR WORK
AUSTRALIA

13 July 2011

Jenny Diamond
Branch Secretary
Australian Education Union - New South Wales

By Email: mail@nswtf.org.au

Dear Ms Diamond

**Financial report for the AEU NSW Branch for the year ended 31 December 2010
(FR2011/2898)**

I acknowledge receipt of the financial report of the New South Wales branch of the Australian Education Union for the year ended 31 December 2010. The documents were lodged with Fair Work Australia on 1 July 2011.

The financial report has *not* been filed as the matter described below needs to be rectified before the report can be filed.

The term "true and fair view" was used in the superseded legislation. Subsection 257(5) of the RO Act sets out the matters upon which an auditor is required to make an opinion on whether the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and other requirements of the RO Act. The following wording in the auditor's opinion would satisfy the requirements:

In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Please contact me on 03 8661 7787 or scott.shepherd@fwa.gov.au if you have any queries regarding this matter.

Yours sincerely

Scott Shepherd
Tribunal Services and Organisations
Fair Work Australia



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

1 July 2011

In reply please quote: 835/2011/JLD:SR/jw

Mr Kevin Donnellan
Tribunal Services and Organisations
Fair Work Australia
GPO Box 2994
MELBOURNE VIC 3001

Dear Mr Donnellan

**Re: Financial report for the Australian Education Union (New South Wales Branch)
for year ending 31 December 2010**

Please find enclosed:

- a) A copy of the full report
- b) A copy of the concise report as provided to members.
- c) Certificate of Secretary

Yours sincerely,

A handwritten signature in black ink that reads 'Jenny Diamond'. The signature is written in a cursive, flowing style.

**Jenny Diamond
Branch Secretary**

AUSTRALIAN EDUCATION
UNION
(NEW SOUTH WALES BRANCH)

ABN: 86 600 150 697

FINANCIAL REPORT
31 DECEMBER 2010

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

**OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

Your committee presents the report on the union for the financial year ended 31 December 2010.

Members of Committee

The name of the members of committee of management in office at any time during the financial year was:

Bob Lipscombe	Gary Zadkovich
Joan Lemaire	Jenny Diamond
Sue Simpson	Kathy Deacon (Appointed 1/4/2010)
Debbie Westacott (Appointed 1/4/2010)	Sui-Lin White (Resigned 31/3/2010)
David Wynne	Maurie Mulheron
John Dixon	Nola Edsall
Sally Edsall	Frank Barnes (Resigned 31/3/2010)
Dennis Long (Appointed 1/4/2010)	Peter Wilson
Michael de Wall (Resigned 31/3/2010)	Gary Grant
Geoff Turnbull	Wendy Currie (Appointed 1/4/2010)
Peter de Graaff (Appointed 1/4/2010)	Phil Bradley (Resigned 31/3/2010)
Phil Cooke (Appointed 1/4/2010)	John Irving (Resigned 7/7/2010)
Pamela Gregg	Linda Simon (Resigned 31/3/2010)
Brenda Seymour (Resigned 31/3/2010)	

Operating Results

The gain of the union for the financial year was \$8,923 (2009: loss of \$887).

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 financial 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 2010 was 60,982 (2009: 62,419)

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.

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

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.
- (11) On receipt of a written notice from a member that he/she has become ineligible for membership of the Union or a notice of resignation or on acceptance of a resignation which is not effected in accordance with this Rule, the Branch Secretary shall, as soon as possible notify the Federal Secretary that the member has become ineligible for membership or that the member has resigned.”

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

On 7 May 2011 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 2010:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines;
- (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 the 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)

OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

Rights of members to resign (cont.)

- (f) In relation to the recovery of wages activity:
(i) There has been no such activity undertaken by the reporting unit.

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

Name of officer: Jenny Diamond
Title of Office held: Branch Secretary

Signature: 

Dated: 7 May 2011

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2010

	Note	2010 \$	2009 \$
Revenues			
Other income	5	22,132	-
Grants		-	2,000
Interest received		710	182
Membership fees of the AEU		<u>2,499,393</u>	<u>2,281,920</u>
Total revenues		<u>2,522,235</u>	<u>2,284,102</u>
Expenses			
Audit of financial report	6	3,100	3,000
Capitation fees paid to Federal Office		<u>2,499,393</u>	<u>2,281,920</u>
Total WRA Regulations disclosures		<u>2,502,493</u>	<u>2,284,920</u>
Travel costs		10,749	-
Finance costs		<u>70</u>	<u>69</u>
Total expenses		<u>2,513,312</u>	<u>2,284,989</u>
Gain/(Loss) for the year		<u>8,923</u>	<u>(887)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>8,923</u>	<u>(887)</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 2010

	2010	2009
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	3,609	3,430
Trade and other receivables	11,855	11
TOTAL CURRENT ASSETS	<u>15,464</u>	<u>3,441</u>
TOTAL ASSETS	<u>15,464</u>	<u>3,441</u>
CURRENT LIABILITIES		
Trade and other payables	6,100	3,000
TOTAL CURRENT LIABILITIES	<u>6,100</u>	<u>3,000</u>
TOTAL LIABILITIES	<u>6,100</u>	<u>3,000</u>
NET ASSETS	<u>9,364</u>	<u>441</u>
EQUITY		
Retained earnings	9,364	441
TOTAL EQUITY	<u>9,364</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 CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Retained Earnings \$	TOTAL \$
Balance at 31 December 2008	1,328	1,328
Total comprehensive income for 2009	<u>(887)</u>	<u>(887)</u>
Balance at 31 December 2009	<u>441</u>	<u>441</u>
Total comprehensive income for 2010	<u>8,923</u>	<u>8,923</u>
Balance at 31 December 2010	<u>9,364</u>	<u>9,364</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 2010

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Other receipts		10,288	-
Grants received		-	2,000
Membership fees of the AEU		2,499,393	2,281,920
Interest received		710	171
Payments in the course of operations		<u>(2,510,212)</u>	<u>(2,283,711)</u>
Net cash provided by operating activities	7 (a)	179	380
CASH FLOWS FROM INVESTING ACTIVITIES			
		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
Net increase in cash held		179	380
Cash at beginning of year		<u>3,430</u>	<u>3,050</u>
Cash at end of the year	7 (b)	<u>3,609</u>	<u>3,430</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 2010

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 financial 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 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 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(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 8.

(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.

(f) Relationship between Australian Education Union and New South Wales Teachers Federation

New South Wales Teachers Federation is an associated body of the Australian Education Union specified in the Australian Education Union rules. The New South Wales Teachers Federation membership fee includes membership of the Australian Education Union (New South Wales Branch).

Membership fees for members of the Australian Education Union (New South Wales Branch) are received from the New South Wales Teachers Federation as per the obligation of the New South Wales Teachers Federation as an associated body of the Australian Education Union and enabled by Rule 11 (7) of the Australian Education Union rules.

The Australian Education Union (New South Wales Branch) notes that New South Wales Teachers Federation continues to make provision for those costs in its annual budget incurred by the Australian Education Union (New South Wales Branch) in respect of Auditors' fees and bank fees incurred for management of membership fees and audited accounts and does this as part of its obligation to collect and process membership fees for the Australian Education Union (New South Wales Branch).

(g) Going concern basis of accounting

The financial report has been prepared on the basis of a going concern as NSW Teachers Federation has agreed to provide financial support as and when required in respect of Auditor's fees and bank fees incurred for management of membership fees and audited accounts.

h) Critical Accounting estimates and judgments

The committee of management evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity. The committee has not made any provision for any critical accounting estimates and judgments.

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

NOTE 2: CAPITAL EXPENDITURE COMMITMENTS

No Capital Expenditure contracted for.

NOTE 3: RELATED PARTY INFORMATION

(a) Executive Officers

The Chief Executive Officer's (Branch Secretary) during the year were John Irving and John Dixon (Acting Branch Secretary).

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

Bob Lipscombe	Gary Zadkovich
Joan Lemaire	Jenny Diamond
Sue Simpson	Kathy Deacon (Appointed 1/4/2010)
Debbie Westacott (Appointed 1/4/2010)	Sui-Lin White (Resigned 31/3/2010)
David Wynne	Maurie Mulheron
John Dixon	Nola Edsall
Sally Edsall	Frank Barnes (Resigned 31/3/2010)
Dennis Long (Appointed 1/4/2010)	Peter Wilson
Michael de Wall (Resigned 31/3/2010)	Garry Grant
Geoff Turnbull	Wendy Currie (Appointed 1/4/2010)
Peter de Graaff (Appointed 1/4/2010)	Phil Bradley (Resigned 31/3/2010)
Phil Cooke (Appointed 1/4/2010)	John Irving (Resigned 7/7/2010)
Pamela Gregg	Linda Simon (Resigned 31/3/2010)
Brenda Seymour (Resigned 31/3/2010)	

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 2010 was \$2,499,393 (2009: \$2,281,920). 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)

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

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).

	2010 \$	2009 \$
NOTE 5: OTHER INCOME		
Funding of Airfares for AEU Annual Conference	<u>22,132</u>	<u>-</u>

NOTE 6: AUDITOR'S REMUNERATION

Audit of financial report	<u>3,100</u>	<u>3,000</u>
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NOTE 7: CASH FLOW INFORMATION

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

Operating surplus	8,923	(887)
Changes in assets and liabilities during the financial year:		
Decrease/(increase) in debtors	(11,844)	425,456
(Increase)/decrease in creditors	<u>3,100</u>	<u>(424,189)</u>
Net cash flows from operating activities	<u>179</u>	<u>380</u>

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

NOTE 7: CASH FLOW
INFORMATION (CONT)

	2010	2009
	\$	\$
Cash at the end of the financial year is reconciled to items in the statement of financial position as follows:		
Cash at bank	<u>3,609</u>	<u>3,430</u>

NOTE 8: 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 9: SUBSEQUENT EVENTS

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

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

NOTE 10: ORGANISATION DETAILS

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



Grant Thornton Audit Pty Ltd
ACN 130 913 594

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

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report To the Members of Australian Education Union (NSW Branch)

We have audited the accompanying financial report of Australian Education Union (NSW Branch) ("Branch"), which comprises the statement of financial position as at 31 December 2010, 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 report and the statement by the Committee of Management.

Responsibility of the Committee of Management for the financial report

The Committee of Management of the Branch is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards 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 are 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 AASB101: 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 whether the financial report is free from 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 Branch's 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 the Branch's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the 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 2010, 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
- 2 the financial report of the Branch is in accordance with the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 and applicable Australian Accounting Standards including the Australian Accounting Interpretations; and
- 3 the financial report gives a true and fair view of the Branch's financial position as at 31 December 2010 and of its performance for the year ended on that date; and
- 4 the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.
- 5 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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A G Rigele
Director - Audit & Assurance

Sydney, 7 May 2011

AUSTRALIAN EDUCATION UNION (NEW SOUTH WALES BRANCH):

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

The principal activity of the Branch during the year was the protection and improvement of employment conditions for its members 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.



Jenny Diamond
BRANCH SECRETARY

**AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)
SUMMARY OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

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 272 (1) and (2) and (3), which read as follows:

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)
OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

Your committee presents the concise report on the union for the financial year ended 31 December 2010.

Members of Committee

The name of the members of committee of management in office at any time during the financial year was:

Bob Lipscombe	Gary Zadkovich
Joan Lemaire	Jenny Diamond
Sue Simpson	Kathy Deacon (Appointed 1/4/2010)
Debbie Westacott (Appointed 1/4/2010)	Sui-Lin White (Resigned 31/3/2010)
David Wynne	Maurie Mulheron
John Dixon	Nola Edsall
Sally Edsall	Frank Barnes (Resigned 31/3/2010)
Dennis Long (Appointed 1/4/2010)	Peter Wilson
Michael de Wall (Resigned 31/3/2010)	Garry Grant
Geoff Turnbull	Wendy Currie (Appointed 1/4/2010)
Peter de Graaff (Appointed 1/4/2010)	Phil Bradley (Resigned 31/3/2010)
Phil Cooke (Appointed 1/4/2010)	John Irving (Resigned 7/7/2010)
Pamela Gregg	Linda Simon (Resigned 31/3/2010)
Brenda Seymour (Resigned 31/3/2010)	

Operating Results

The profit of the union for the financial year was \$8,923 (2009: loss of \$887).

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 2010 was 60,982 (2009: 62,419)

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 7 May 2011 the Committee of Management of Australian Education Union (New South Wales Branch) passed the following resolution in relation to the general purpose financial report of the Australian Education Union (New South Wales Branch) for the financial year ended 31 December 2010:

The Committee of Management declares in relation to the general purpose financial report that in its opinion:

- (a) the concise financial statements and notes comply with AASB 1039 – Concise Financial Reports.
- (b) the concise financial statements and notes comply with the reporting guidelines;
- (c) the concise 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.

Rights of members to resign (cont.)

- (vii) the organisation has not undertaken any recovery of wages activity for the financial year.
- (f) In relation to the recovery of wages activity:
 - (i) there has been no such activity undertaken by the reporting unit.

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

Name of officer: Jenny Diamond
Title of Office held: Branch Secretary

Signature: 

Dated this 7th Day of May 2011

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 2010 financial report of Australian Education Union (New South Wales Branch) 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 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 2010 Financial Report of Australian Education Union (New South Wales Branch).

Statement of Comprehensive Income

Gain for the year of \$8,923 was up \$9,810 from the prior year (2009: loss of \$887), this was due primarily to the branch receiving payment in advance from NSW Teachers Federation for travel and related costs for 2011 annual conference.

Membership fee income of the AEU of \$2,499,393 increased 9.5% from the prior year (2009: \$2,281,920) due to increased activity on a federal level.

Statement of Financial Position

Trade and other receivables increased by \$11,844 from \$11 in 2009. This increase was due to prepaid travel for branch delegates for the 2011 annual conference.

Equity has increased by \$8,923 from \$441 in 2009 to \$9,364 in 2010. This was due to the net gain for the year increasing retained earnings by \$8,923.

Cash Flow Statement

Cash has increased by \$179 from \$3,430 in 2009 to \$3,609 in 2010 representing an increase of 5.2%. The net cash inflow from operating activities has decreased by \$201 from \$380 in 2009 to \$179 in 2010 due to increased payments in the course of operations.

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	2010	2009
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	3,609	3,430
Trade and other receivables	11,855	11
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	15,464	3,441
	<hr/>	<hr/>
TOTAL ASSETS	15,464	3,441
	<hr/>	<hr/>
CURRENT LIABILITIES		
Trade and other payables	6,100	3,000
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	6,100	3,000
	<hr/>	<hr/>
TOTAL LIABILITIES	6,100	3,000
	<hr/>	<hr/>
NET ASSETS	9,364	441
	<hr/>	<hr/>
EQUITY		
Retained earnings	9,364	441
	<hr/>	<hr/>
TOTAL EQUITY	9,364	441
	<hr/>	<hr/>

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$
Revenues		
Other income	22,132	-
Grants	-	2,000
Interest received	710	182
Agency collections	2,499,393	2,281,920
Total revenues	<u>2,522,235</u>	<u>2,284,102</u>
Expenses		
Audit of financial report	3,100	3,000
Capitation fees paid to Federal Office	2,499,393	2,281,920
Total WRA Regulations disclosures	<u>2,502,493</u>	<u>2,284,920</u>
Travel costs	10,749	-
Finance costs	70	69
Total expenses	<u>2,513,312</u>	<u>2,284,989</u>
Gain/(Loss) for the year	<u>8,923</u>	<u>(887)</u>
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u>8,923</u>	<u>(887)</u>

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

	Retained Earnings	TOTAL
	\$	\$
Balance at 31 December 2008	1,328	1,328
Total comprehensive income for 2009	<u>(887)</u>	<u>(887)</u>
Balance at 31 December 2009	<u>441</u>	<u>441</u>
Total comprehensive income for 2010	<u>8,923</u>	<u>8,923</u>
Balance at 31 December 2010	<u><u>9,364</u></u>	<u><u>9,364</u></u>

AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Other receipts	10,288	-
Grants received	-	2,000
Membership fees of the AEU	2,499,393	2,281,920
Interest received	710	171
Payments in the course of operations	<u>(2,510,212)</u>	<u>(2,283,711)</u>
Net cash provided by operating activities	<u>179</u>	<u>380</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net increase in cash held	179	380
Cash at beginning of year	<u>3,430</u>	<u>3,050</u>
Cash at end of the year	<u><u>3,609</u></u>	<u><u>3,430</u></u>

**AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)**
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

Note 1: Basis of Preparation of the Concise Financial Report

The concise financial report is an extract for the full financial report for the year ended 31 December 2010. The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports.

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). The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Australian Education Union (New South Wales Branch) as the full financial report. A copy of the full financial report and auditor's report will be sent to any member, free of charge, upon request.

The financial report of Australian Education Union (New South Wales Branch) complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. The presentation currency used in this concise financial report is Australian dollars.

Note 2: Relationship between Australian Education Union and New South Wales Teachers Federation

New South Wales Teachers Federation is an associated body of the Australian Education Union specified in the Australian Education Union rules. The New South Wales Teachers Federation membership fee includes membership of the Australian Education Union (New South Wales Branch).

Membership fees for members of the Australian Education Union (New South Wales Branch) are received from the New South Wales Teachers Federation as per the obligation of the New South Wales Teachers Federation as an associated body of the Australian Education Union and enabled by Rule 11 (7) of the Australian Education Union rules.

The Australian Education Union (New South Wales Branch) notes that New South Wales Teachers Federation continues to make provision for those costs in its annual budget incurred by the Australian Education Union (New South Wales Branch) in respect of Auditors' fees and bank fees incurred for management of membership fees and audited accounts and does this as part of its obligation to collect and process membership fees for the Australian Education Union (New South Wales Branch).



Grant Thornton Audit Pty Ltd
ACN 130 913 594

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

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report To the Members of Australian Education Union (NSW Branch)

We have audited the accompanying concise financial report of Australian Education Union (New South Wales Branch), comprising the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity 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 2010. We expressed an unmodified auditor's opinion on that financial report in our auditor's report dated 7 May 2011.

Responsibility of the Committee of Management for the financial report

The Committee of Management of the Company is responsible for the preparation and fair presentation of the concise financial report in accordance with Accounting Standard AASB 1039 Concise Financial Reports. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 of the Australia Education Union (New South Wales Branch) financial report of for the year ended 31 December 2010. Our audit report on the financial report for the year was signed on 7 May 2011 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the



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amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 Concise Financial Reports.

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, 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 and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009. For a better understanding of the financial position of Australian Education Union (New South Wales Branch) as at 31 December 2010, 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

A G Rigele
Director - Audit & Assurance
Sydney, 7 May 2011



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, Jenny Diamond, 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 concise report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the concise report was provided to members on the 30th May 2011; and
- that the full report was presented to a meeting of the Committee of Management of the Australian Education Union (NSW Branch) on 21st June 2011 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

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

Jenny Diamond
Branch Secretary

Date: 1 July 2011.