



1 August 2014

Ms Jenny Diamond
Branch Secretary
Australian Education Union - New South Wales Branch
mail@nswtf.org.au

CC: Grant Thornton Audit Pty Ltd, Attn: A Rigele by email: info.nsw@au.gt.com

Dear Ms Diamond,

**Australian Education Union - New South Wales Branch
Financial Report for the year ended 31 December 2013 - [FR2013/486]**

I acknowledge receipt of the financial report of the Australian Education Union - New South Wales Branch. The documents were lodged with the Fair Work Commission on 3 June 2014.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

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

Please note that the financial report for the year ending 31 December 2014 may be subject to an advanced compliance review.

I make the following comment to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

Auditor's report: declaration regarding going concern

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

Changes to the reporting guidelines and model financial statement

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

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

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

Yours sincerely



CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION

Tel: 03 8661 7974

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11 Exhibition Street, Melbourne Victoria 3000
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Australian Education Union

New South Wales Branch

23-33 Mary Street, Surry Hills NSW 2010
NSW Branch President: Maurie Mulheron
NSW Branch Secretary: Jenny Diamond

Telephone: (02) 9217 2100
Facsimile: (02) 9217 2470

3 June 2014.

In reply please quote:
686/20143/JD;sr

Mr Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch
Fair Work Australia

Sent by email : Robert.pfeiffer@fwc.gov.au

Dear Mr Pfeiffer

Re: Financial report for the Australian Education Union (New South Wales Branch) for year ending 31 December 2013.

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, appearing to be 'John Dixon', is written over a dotted line.

John Dixon
ACTING BRANCH SECRETARY

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

ABN: 86 600 150 697

**FINANCIAL REPORT
31 DECEMBER 2013**

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

**OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

The committee presents its report on the union for the financial year ended 31 December 2013.

Members of Committee

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

Maurie Mulheron	President	
Gary Zadkovich	Deputy President	
Joan Lemaire	Senior Vice-President	
Jenny Diamond	Branch Secretary	
Wendy Currie	Deputy Secretary	
John Dixon	Deputy Secretary	
Maxine Sharkey	Deputy Secretary	
Gemma Ackroyd	Executive Member	
Philip Cooke	Executive Member	
Kathy Deacon	Executive Member	
Sally Edsall	Executive Member	
Denis Fitzgerald	Executive Member	
John Gaudi	Executive Member	
Jennifer Mace	Executive Member	
Tim Mulroy	Executive Member	
Lindy Nolan	Executive Member	
Michael Sciffer	Executive Member	
Sue Simpson	Executive Member	
Geoff Turnbull	Executive Member	
Margaret Vos	Executive Member	
David Wynne	Executive Member	Elected 14 March 2013
Peter de Graaff	Executive Member	Resigned 13 March 2013
John Morris	Executive Member	Resigned 13 March 2013

Review of Principal Activities and Results of Operations

The AEU (NSW Branch) Executive set the following strategic objectives for the year 2011- 2013:

- Increase Government funding to public schools and TAFE institutes.
- Enhance and support the professional status of AEU (NSW Branch) members in public education.
- Protect and promote quality teaching and learning.
- Protect and enhance the industrial rights of AEU (NSW Branch) members.
- Promote human rights and social justice.

The principal activities of the AEU (NSW Branch) during the financial year have focussed on the achievement of these strategic objectives.

In relation to the first objective, the AEU (NSW Branch) "I give a Gonski" campaign at the national, state and school community level focussed on getting community and government support for the replacement of the existing inequitable federal schools funding model by a new funding model based on the findings of the Gonski Schools Funding review Panel, i.e. funding all schools to the resource standard necessary for every student to be given the opportunity to succeed regardless

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

**OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

Review of Principal Activities and Results of Operations (continued)

of their family background or circumstances. The AEU campaigned hard for the election of a federal government which would commit to and honour a better education for all Australian children.

In the face of the increasing privatisation of TAFE, the Stop TAFE Cuts campaign was prosecuted by the AEU (NSW Branch) Campaigning focussed on the House of Representatives inquiry into TAFE. The AEU (NSW Branch) worked closely with the AEU Federal Office and the ACTU to maximise broader union participation and the number of submissions to this inquiry, As part of building the campaign, and in order to maximise the profile of the inquiry, we nominated 3 June National TAFE Day and activities were held in TAFE campuses around the country.

The union has worked with members employing authorities to improve the status of the profession in all sectors through advocacy and support for the Professional Standards for Teachers, introduction of professional qualifications for TAFE Teachers as well as further recognition through improved remuneration for teachers and education workers, improved working conditions and representation on various professional bodies such as the Board of Studies and The NSW Institute of Teachers (now named BOSTES).

The AEU (NSW Branch) has, in conjunction with the AEU Federal office and the broader trade union movement made various submissions to Inquiries in relation to the industrial relations legislation.

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 2013 was 60,225 (2012: 61,951)

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 2013**

Members who are Directors of a company or members of a Board

The names of members of the organisation who held positions of Directors of a company or were members of a Board during the reporting period were:

<i>Name</i>	<i>Name of Company or Board</i>	<i>Principal Activity of Company or Board</i>	<i>Position Held</i>	<i>Position held due to Role with the AEU.</i>
				No
				No
				No
				No
				No
				No
				No
				No
				No
				No
				No
				No
				No
				No
				No

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

**OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

Members who are Directors of a company or members of a Board (continued)

<i>Name</i>	<i>Name of Company or Board</i>	<i>Principal Activity of Company or Board</i>	<i>Position Held</i>	<i>Position held due to Role with the AEU.</i>
				No
				No
				No
				No
				No
				No
				No
				No
				No
				No

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

- (1) Subject to sub-rule 17(1A) a member becomes ineligible for membership of the Union when he/she no longer meets the conditions of eligibility for membership of the Union.
- (1A) The following persons shall after the date referred to in sub-rule 5(12) be eligible to retain membership of the Union notwithstanding the fact that they are no longer eligible for membership within the conditions of eligibility for membership set out in rule 5:
 - (a) members who are eligible for membership pursuant to paragraphs 5(3)(a), (b) or (c) and are:
 - (i) seconded by their employer to non-teaching duties, or
 - (ii) appointed by the Minister for Education to any Board, Committee or statutory authority;

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

**OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

Rights of members to resign (continued)

- (b) members who were formerly eligible for membership pursuant to paragraph 5(4)(a), (b) or
- (c) and have commenced to be employed elsewhere in the Victorian Education Department or in a technical and further education institution or by the Technical and Further Education Board or are seconded by their employer to perform professional duties requiring teacher qualifications;
- (d) persons who become members of the Union prior to the date referred to in sub-rule 5(12) pursuant to paragraphs 5(3)(d) or 5(4)(d);

provided that persons who are entitled to retain membership pursuant to this sub-rule should not be entitled to retain membership after the expiration of the secondment or appointment.

- (2) A member who becomes ineligible for membership of the Union shall within seven days thereof give written notice of the fact and the reason therefore to the Secretary of the Branch to which he/she is attached.
- (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.

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

**OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

Rights of members to resign (continued)

- (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."

Committee of Management Resolution

On 3 May 2014 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 2013:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of 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 that the reporting 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

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

**OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

Committee of Management Resolution (continued)

- (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager or a Registrar duly made under section 272 of the RO Act, that information has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) where the reporting unit has undertaken recovery of wages activity:
- (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
 - (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than as reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
 - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

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

**OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

Committee of Management Resolution (continued)

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

Name of officer: John Dixon

Title of Office held: Acting Branch Secretary

A handwritten signature in black ink, appearing to be 'John Dixon', written over a horizontal line.

Signature:

Dated: 3 May 2014

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 \$	2012 \$
Revenues			
Other income	5	42,423	2,348
Interest received		1,930	2,229
Grants income	6	4,000	-
Membership fee income	7	3,528,394	2,488,628
Total revenues		<u>3,576,747</u>	<u>2,493,205</u>
Expenses			
Audit of financial report	8	3,600	3,500
Capitation fees and levies	9	3,528,394	2,488,628
Total WRA Regulations disclosures		<u>3,531,994</u>	<u>2,492,128</u>
Travel costs		8,617	218
Promotional costs		19,718	-
Consulting costs		9,750	-
General costs		623	2,349
Total expenses		<u>3,570,702</u>	<u>2,494,695</u>
Gain / (Loss) for the year		<u>6,045</u>	<u>(1,490)</u>
Other comprehensive income		-	-
Total comprehensive Income / (Loss)		<u>6,045</u>	<u>(1,490)</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 2013

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents		19,421	73,043
Trade and other receivables		-	652,334
Other current assets	10	9,715	-
TOTAL CURRENT ASSETS		<u>29,136</u>	<u>725,377</u>
TOTAL ASSETS		<u>29,136</u>	<u>725,377</u>
CURRENT LIABILITIES			
Trade and other payables	11	<u>14,287</u>	<u>716,573</u>
TOTAL CURRENT LIABILITIES		<u>14,287</u>	<u>716,573</u>
TOTAL LIABILITIES		<u>14,287</u>	<u>716,573</u>
NET ASSETS		<u>14,849</u>	<u>8,804</u>
EQUITY			
Retained earnings		<u>14,849</u>	<u>8,804</u>
TOTAL EQUITY		<u>14,849</u>	<u>8,804</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 PERIOD ENDED 31
DECEMBER 2013**

	Retained Earnings \$	TOTAL \$
Balance at 31 December 2011	10,294	10,294
Total comprehensive (loss) for 2012	<u>(1,490)</u>	<u>(1,490)</u>
Balance at 31 December 2012	<u>8,804</u>	<u>8,804</u>
Total comprehensive gain for 2013	<u>6,045</u>	<u>6,045</u>
Balance at 31 December 2013	<u>14,849</u>	<u>14,849</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 2013**

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Other receipts		698,757	2,348
Membership fees of the AEU		3,528,394	1,842,614
Interest received		1,930	2,229
Payments in the course of operations		<u>(4,282,703)</u>	<u>(1,781,710)</u>
Net cash provided by operating activities	12 (a)	<u>(53,622)</u>	<u>65,481</u>
CASH FLOWS FROM INVESTING ACTIVITIES		<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		<u>-</u>	<u>-</u>
Net increase in cash held		(53,622)	65,481
Cash at beginning of year		<u>73,043</u>	<u>7,562</u>
Cash at end of the year	12 (b)	<u>19,421</u>	<u>73,043</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 2013**

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. A statement of compliance with International Financial Reporting Standards cannot be made due to the entity applying the not-for profit section specific requirements contained in AIFRS.

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 2013**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 13.

(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 2013**

NOTE 2: CAPITAL EXPENDITURE COMMITMENTS

No Capital Expenditure contracted for.

NOTE 3: RELATED PARTY INFORMATION

(a) Executive Officer

The Chief Executive Officer (Branch Secretary) during the year was Jenny Diamond.

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

Maurie Mulheron	President	
Gary Zadkovich	Deputy President	
Joan Lemaire	Senior Vice-President	
Jenny Diamond	Branch Secretary	
Wendy Currie	Deputy Secretary	
John Dixon	Deputy Secretary	
Maxine Sharkey	Deputy Secretary	
Gemma Ackroyd	Executive Member	
Philip Cooke	Executive Member	
Kathy Deacon	Executive Member	
Sally Edsall	Executive Member	
Denis Fitzgerald	Executive Member	
John Gauci	Executive Member	
Jennifer Mace	Executive Member	
Tim Mulroy	Executive Member	
Lindy Nolan	Executive Member	
Michael Sciffer	Executive Member	
Sue Simpson	Executive Member	
Geoff Turnbull	Executive Member	
Margaret Vos	Executive Member	
David Wynne	Executive Member	Elected 14 March 2013
Peter de Graaff	Executive Member	Resigned 13 March 2013
John Morris	Executive Member	Resigned 13 March 2013

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 2013 was \$3,528,394 (2012: \$2,488,628). 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 2013**

NOTE 4: NOTICE REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2010

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).

	2013 \$	2012 \$
NOTE 5: OTHER INCOME		
Course/Tuition fees	-	2,348
Gonski Campaign Merchandising	19,718	-
Consulting	10,372	-
Funding- AEU Annual Conference	12,333	-
	<u>42,423</u>	<u>2,348</u>

NOTE 6: GRANTS INCOME

NSW Teachers Federation	<u>4,000</u>	<u>-</u>
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NOTE 7: MEMBERSHIP FEE INCOME

NSW Teachers Federation	<u>3,528,394</u>	<u>2,488,628</u>
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NOTE 8: AUDITOR'S REMUNERATION

Grant Thornton, Audit of financial report	<u>3,600</u>	<u>3,500</u>
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NOTE 9: CAPITATION FEES AND LEVIES

All paid to AEU Federal Office		
ACTU Campaign fees	124,476	60,962
ACTU Subscription fees	213,476	201,175
Capitation fees	1,679,804	1,538,071
Education International fees	118,874	115,827

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

NOTE 9: CAPITATION FEES AND LEVIES (CONTINUED)	2013 \$	2012 \$
Publication Levy (A) -Australian Educator	189,087	177,950
Publication Levy (B) -TAFE Teacher	19,410	20,176
Public Education Campaign fees	186,714	182,886
Public Education Campaign Advertising	996,552	191,580
	<u>3,528,394</u>	<u>2,488,628</u>

NOTE 10: OTHER CURRENT ASSETS

Travel costs- 2014 AEU Annual Conference Received from NSW Teachers Federation	<u>9,715</u>	<u>-</u>
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NOTE 11: TRADE AND OTHER PAYABLES

Audit Fees- Payable to Grant Thornton	3,600	-
Travel costs – 2014 AEU Annual Conference, Payable to AEU- Federal Office	10,687	-
Capitation Fess and Levies, payable to AEU- Federal Office	-	716,573
	<u>14,287</u>	<u>716,573</u>

NOTE 12: CASH FLOW INFORMATION

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

Operating surplus/(loss)	6,045	(1,490)
Changes in assets and liabilities during the financial year:		
Decrease/(Increase) in debtors	652,334	(646,332)
(Increase)/Decrease in other assets	(9,715)	-
(Decrease)/ Increase in creditors	(702,286)	713,303
Net cash flows from operating activities	(53,622)	65,481

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

Cash at bank	<u>19,421</u>	<u>73,043</u>
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**AUSTRALIAN EDUCATION UNION
(NEW SOUTH WALES BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

NOTE 13: 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 14: ADMINISTRATION OF THE FINANCIAL AFFAIRS OF THE BRANCH

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).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

**NOTE 14: ADMINISTRATION OF THE FINANCIAL AFFAIRS OF THE BRANCH
(CONTINUED)**

Any surplus is retained within the AEU (NSW Branch) and is not distributed until the entity is wound up.

NOTE 15: 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 16: 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.

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
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) (the "Branch"), which comprises the statement of financial position as at 31 December 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and Committee of Management resolution of the entity.

Responsibility of the Committee of Management for the financial report

The Committee of Management of the Branch are responsible for the preparation of the financial report that gives a true and fair view 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.

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. Those standards 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.

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In making those risk assessments, the auditor considers internal control relevant to the Branch's preparation of the financial report that gives a true and fair view 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 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 2013, 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 of the Branch is in accordance with the requirements imposed by Part 3 of Chapter 8 of the RO Act and applicable Australian Accounting Standards including the Australian Account Interpretations; and
- c the financial report presents fairly the Branch's financial position as at 31 December 2013 and of its performance for the year ended date.

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


A G Nigele
Partner - Audit & Assurance
Sydney, 3 May 2014

**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 union.



John Dixon
ACTING BRANCH SECRETARY

**SUMMARY OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

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 on request.

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 2013**

Your committee presents the concise report on the union for the financial year ended 31 December 2013.

Members of Committee

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

Maurie Mulheron	President	
Gary Zadkovich	Deputy President	
Joan Lemaire	Senior Vice-President	
Jenny Diamond	Branch Secretary	
Wendy Currie	Deputy Secretary	
John Dixon	Deputy Secretary	
Maxine Sharkey	Deputy Secretary	
Gemma Ackroyd	Executive Member	
Philip Cooke	Executive Member	
Kathy Deacon	Executive Member	
Sally Edsall	Executive Member	
Denis Fitzgerald	Executive Member	
John Gauci	Executive Member	
Jennifer Mace	Executive Member	
Tim Mulroy	Executive Member	
Lindy Nolan	Executive Member	
Michael Sciffer	Executive Member	
Sue Simpson	Executive Member	
Geoff Turnbull	Executive Member	
Margaret Vos	Executive Member	
David Wynne	Executive Member	Elected 14 March 2013
Peter de Graaff	Executive Member	Resigned 13 March 2013
John Morris	Executive Member	Resigned 13 March 2013

Review of Principal Activities and Results of Operations

The AEU (NSW Branch) Executive set the following strategic objectives for the year 2011- 2013:

- Increase Government funding to public schools and TAFE institutes.
- Enhance and support the professional status of AEU (NSW Branch) members in public education.
- Protect and promote quality teaching and learning.
- Protect and enhance the industrial rights of AEU (NSW Branch) members.
- Promote human rights and social justice.

The principal activities of the AEU (NSW Branch) during the financial year have focussed on the achievement of these strategic objectives.

In relation to the first objective, the AEU (NSW Branch) "I give a Gonski" campaign at the national, state and school community level focussed on getting community and government support for the replacement of the existing inequitable federal schools funding model by a new funding model based on the findings of the Gonski Schools Funding review Panel, i.e. funding all schools to the resource standard necessary for every student to be given the opportunity to succeed regardless of their family background or circumstances. The AEU campaigned hard for the election of a federal government which would commit to and honour a better education for all Australian children.

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

**OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

Review of Principal Activities and Results of Operations (continued)

In the face of the increasing privatisation of TAFE, the Stop TAFE Cuts campaign was prosecuted by the AEU (NSW Branch) Campaigning focussed on the House of Representatives inquiry into TAFE. The AEU (NSW Branch) worked closely with the AEU Federal Office and the ACTU to maximise broader union participation and the number of submissions to this inquiry, As part of building the campaign, and in order to maximise the profile of the inquiry, we nominated 3 June National TAFE Day and activities were held in TAFE campuses around the country.

The union has worked with members employing authorities to improve the status of the profession in all sectors through advocacy and support for the Professional Standards for Teachers, introduction of professional qualifications for TAFE Teachers as well as further recognition through improved remuneration for teachers and education workers, improved working conditions and representation on various professional bodies such as the Board of Studies and The NSW Institute of Teachers (now named BOSTES).

The AEU (NSW Branch) has, in conjunction with the AEU Federal office and the broader trade union movement made various submissions to Inquiries in relation to the industrial relations legislation.

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 2013 was 60,225 (2012: 61,951)

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 2013**

Members who are Directors of a company or members of a Board

The names of members of the organisation who held positions of Directors of a company or were members of a Board during the reporting period were:

<i>Name</i>	<i>Name of Company or Board</i>	<i>Principal Activity of Company or Board</i>	<i>Position Held</i>	<i>Position held due to Role with the AEU.</i>
Gemma Ackroyd	NSW Teachers Federation Executive Member	Industrial union of public education teachers in New South Wales	Member of the Committee of Management	No
Rod Brown	Federation Law Pty Ltd	Provide legal advice and assistance to teachers	Director	No
Philip Cooke	NSW Teachers Federation Executive Member	Industrial union of public education teachers in New South Wales	Member of the Committee of Management	No
Wendy Currie	Federation Law Pty Ltd	Provide legal advice and assistance to teachers	Director	No
	Gillmer of Dee Why Retirement Fund	Private Superannuation Fund	Director	No
Kathryn Deacon	NSW Teachers Federation Executive Member	Industrial union of public education teachers in New South Wales	Member of the Committee of Management	No
Jenny Diamond	Federation Law Pty Ltd	Provide legal advice and assistance to teachers	Director	No
	Teachers Federation Health	Private Health Fund	Director	No
	Federation Law Pty Ltd	Provide legal advice and assistance to teachers	Director	No
John Dixon	Teachers Federation Health	Private Health Fund	Director	No
Sally Edsall	Teachers Federation Health	Private Health Fund	Director	No
Denis Fitzgerald	NSW Teachers Federation Executive Member	Industrial union of public education teachers in New South Wales	Member of the Committee of Management	No

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

**OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

Members who are Directors of a company or members of a Board (continued)

<i>Name</i>	<i>Name of Company or Board</i>	<i>Principal Activity of Company or Board</i>	<i>Position Held</i>	<i>Position held due to Role with the AEU.</i>
Joan Lemaire	NSW Teachers Federation Executive Member	Industrial union of public education teachers in New South Wales	Member of the Committee of Management	No
Jennifer Mace	NSW Teachers Federation Executive Member	Industrial union of public education teachers in New South Wales	Member of the Committee of Management	No
John Morris	NSW Teachers Federation Executive Member	Industrial union of public education teachers in New South Wales	Member of the Committee of Management	No
Maurie Mulheron	Teachers Federation Health	Private Health Fund	Director	No
	NSW Teachers Federation Executive Member	Industrial union of public education teachers in New South Wales	Member of the Committee of Management	No
Tim Mulroy	Teachers Federation Health	Private Health Fund	Director	No
	NSW Teachers Federation Executive Member	Industrial union of public education teachers in New South Wales	Member of the Committee of Management	No
Lindy Nolan	NSW Teachers Federation Executive Member	Industrial union of public education teachers in New South Wales	Member of the Committee of Management	No
Michelle Rosicky	Teachers Federation Health	Private Health Fund	Director	No
Michael Sciffer	NSW Teachers Federation Executive Member	Industrial union of public education teachers in New South Wales	Member of the Committee of Management	No
Geoff Turnbull	NSW Teachers Federation Executive Member	Industrial union of public education teachers in New South Wales	Member of the Committee of Management	No
Margaret Vos	Federation Law Pty Ltd	Provide legal advice and assistance to teachers	Director	No
David Wynne	Teachers Federation Health	Private Health Fund	Director	No
Gary Zadkovich	NSW Teachers Federation Executive Member	Industrial union of public education teachers in New South Wales	Member of the Committee of Management	No

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

**OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

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

- (1) Subject to sub-rule 17(1A) a member becomes ineligible for membership of the Union when he/she no longer meets the conditions of eligibility for membership of the Union.
- (1A) The following persons shall after the date referred to in sub-rule 5(12) be eligible to retain membership of the Union notwithstanding the fact that they are no longer eligible for membership within the conditions of eligibility for membership set out in rule 5:
 - (a) members who are eligible for membership pursuant to paragraphs 5(3)(a), (b) or (c) and are:
 - (i) seconded by their employer to non-teaching duties, or
 - (ii) appointed by the Minister for Education to any Board, Committee or statutory authority;
 - (b) members who were formerly eligible for membership pursuant to paragraph 5(4)(a), (b) or
 - (c) and have commenced to be employed elsewhere in the Victorian Education Department or in a technical and further education institution or by the Technical and Further Education Board or are seconded by their employer to perform professional duties requiring teacher qualifications;
 - (d) persons who become members of the Union prior to the date referred to in sub-rule 5(12) pursuant to paragraphs 5(3)(d) or 5(4)(d);

provided that persons who are entitled to retain membership pursuant to this sub-rule should not be entitled to retain membership after the expiration of the secondment or appointment.
- (2) A member who becomes ineligible for membership of the Union shall within seven days thereof give written notice of the fact and the reason therefore to the Secretary of the Branch to which he/she is attached.
- (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

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

**OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

Rights of members to resign (continued)

- (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."

Committee of Management Resolution

On 3 May 2014, 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 2013:

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;

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

**OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

Committee of Management Resolution (continued)

- (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 of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager or a Registrar duly made under section 272 of the RO Act, that information has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) where the reporting unit has undertaken recovery of wages activity:
 - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
 - (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than as reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

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

**OPERATING REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

Committee of Management Resolution (continued)

- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

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 3rd Day of May 2014.

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

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 2013 financial report of Australian Education Union (New South Wales Branch) and cannot be expected to provide as full 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 2013 Financial Report of Australian Education Union (New South Wales Branch).

Statement of Profit or Loss and Other Comprehensive Income

Gain for the year was \$6,045, this compared to a loss in 2012 year of \$1,490. The gain for the year is due primarily to the Branch receiving financial support by way of a grant from the NSW Teachers Federation of \$4,000 during the year.

Membership fee income of the Branch was \$3,528,394 representing an increase of 41.8 % from the prior year (2012: \$2,488,628). The increase is primarily due to additional collection of fees of \$996,552 (2012: \$191,580) for the national public education campaign.

Statement of Financial Position

Cash and cash equivalents has decreased by \$53,622 for the year due to timing differences in payments in the course of operations.

Trade and other receivables balance is nil compared to (2012: \$652,334), the decrease represents timing differences for payments received from NSWTF.

Trade and other payables balance is 14,287 (2012: \$716,573) representing a movement of \$702,286, the movement is attributable to payment of invoices to AEU federal office.

Equity has increased to \$14,849 (2012: \$8,804) the increase is attributable to the operating surplus for the period of \$6,045.

Cash Flow Statement

Cash at bank balance of \$19,421 (2012: \$73,043), the movement of \$53,622 is represented by additional payments in the course of operations during the year.

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	2013	2012
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	19,421	73,043
Trade and other receivables	-	652,334
Other current assets	9,715	-
TOTAL CURRENT ASSETS	<u>29,136</u>	<u>725,377</u>
TOTAL ASSETS	<u>29,136</u>	<u>725,377</u>
CURRENT LIABILITIES		
Trade and other payables	<u>14,287</u>	<u>716,573</u>
TOTAL CURRENT LIABILITIES	<u>14,287</u>	<u>716,573</u>
TOTAL LIABILITIES	<u>14,287</u>	<u>716,573</u>
NET ASSETS	<u>14,849</u>	<u>8,804</u>
EQUITY		
Retained earnings	<u>14,849</u>	<u>8,804</u>
TOTAL EQUITY	<u>14,849</u>	<u>8,804</u>

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 \$	2012 \$
Revenues		
Other income	42,423	2,348
Interest received	1,930	2,229
Grants income	4,000	-
Membership fee income	3,528,394	2,488,628
Total revenues	<u>3,576,747</u>	<u>2,493,205</u>
Expenses		
Audit of financial report	3,600	3,500
Capitation fees paid to Federal Office	3,528,394	2,488,628
Total WRA Regulations disclosures	<u>3,531,994</u>	<u>2,492,128</u>
Travel costs	8,617	218
Promotion costs	19,718	-
Consultant costs	9,750	-
General costs	623	2,349
Total expenses	<u>3,570,702</u>	<u>2,494,695</u>
(Loss)\Gain for the year	<u>6,045</u>	<u>(1,490)</u>
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive (Loss)/Income	<u>6,045</u>	<u>(1,490)</u>

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

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER
2013**

	Retained Earnings	TOTAL
	\$	\$
Balance at 31 December 2011	10,294	10,294
Total comprehensive (loss) for 2012	<u>(1,490)</u>	<u>(1,490)</u>
Balance at 31 December 2012	<u>8,804</u>	<u>8,804</u>
Total comprehensive gain for 2013	<u>6,045</u>	<u>6,045</u>
Balance at 31 December 2013	<u>14,849</u>	<u>14,849</u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Other receipts	698,757	2,348
Membership fees of the AEU	3,528,394	1,842,614
Interest received	1,930	2,229
Payments in the course of operations	<u>(4,282,703)</u>	<u>(1,781,710)</u>
Net cash provided by operating activities	<u>(53,622)</u>	<u>65,481</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net increase in cash held	(53,622)	65,481
Cash at beginning of year	<u>73,043</u>	<u>7,562</u>
Cash at end of the year	<u>19,421</u>	<u>73,043</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

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 2013. 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 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. A statement of compliance with International Financial Reporting Standards cannot be made due to the entity applying the not-for profit section specific requirements contained in AIFRS. 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).

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

We have audited the accompanying concise financial report of Australia Education Union (NSW Branch) (the "Branch"), comprising the statement of financial position as at 31 December 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity, 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 2013. We expressed an unmodified auditor's opinion on that financial report in our auditor's report dated 3 May 2014.

Responsibility of the Committee of Management for the financial report

The Committee of Management of the Branch are 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 2013. Our audit report on the financial report for the year was signed on 3 May 2014 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.

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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 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 RO Act. For a better understanding of the financial position of Australian Education Union (NSW Branch) as at 31 December 2013, 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
Partner - Audit & Assurance
Sydney, 3 May 2014



Australian Education Union

New South Wales Branch

23-33 Mary Street, Surry Hills NSW 2010
NSW Branch President: Maurie Mulheron
NSW Branch Secretary: Jenny Diamond

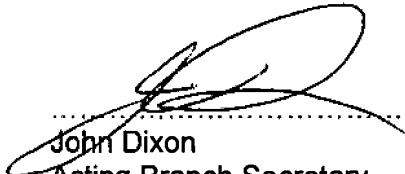
Telephone: (02) 9217 2100
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Certificate of Secretary **s268 Fair Work (Registered Organisations) Act 2009**

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 provided to members on the 28th May 2014; and
- that the full report was presented to a meeting of the Committee of Management of Australian Education Union (NSW Branch) on 31st May 2014 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: 3 June 2014.