



FAIR WORK
COMMISSION

29 January 2014

Mr Peter Clisby
Secretary, Northern Territory Branch
Australian Education Union
PO Box 41863
CASUARINA NT 0811

Dear Mr Clisby,

**Re: Lodgement of Financial Statements and Accounts - Australian Education Union,
Northern Territory Branch - for years ended 31 December 2011 (FR2011/2902), 31
December 2012 (FR2012/589)**

I refer to the above financial statements and accounts. I acknowledge an unusual delay in corresponding to you in relation to these reports.

The documents in relation to the year ended 31 December 2011 were first lodged with the Fair Work Commission on 27 June 2012. The documents in relation to the year ended 31 December 2012 were lodged on 27 May 2013. An amended operating report in respect of 2012 was provided today at my request following our telephone conversation on 24 January 2014.

I have clarified with you several of the legislative requirements to be kept in mind in future financial reports. I note your advice that recent changes to the accounting procedures will facilitate ensuring members are provided copies of the signed audited reports a minimum 21 days prior to the Annual Conference, in accordance with subsection 265(5) of the Act.

I have also noted FWC's previous correspondence to you in relation to earlier reports. Issues previously raised appear to have been largely addressed in the 2011 or 2012 reports and I have filed the documents.

In the table overleaf I set out particular requirements of the former Reporting Guidelines or Accounting or Auditing Standards which were either not reflected in the reports or may not have been previously clarified for the Branch, for your and the auditor's information.

If you have any query regarding the above, please do not hesitate to contact me on (02) 6723 7237.

Yours sincerely

Stephen Kellett

Senior Adviser, Regulatory Compliance Branch

Table

Provision	What it says	Explanation
Fair Work (Registered Organisations) Act 2009	Title of Act	All references in the report, including the Notes and the Auditor's Report must refer to this Act (i.e. the 'RO Act'). The RAO Schedule was renamed and the Workplace Relations Act 1996 superseded in 2009.
<p>Paragraph 25(e)(iv) Reporting Guidelines (former)</p> <p>Cf. Paragraph 41(e)(iv) Reporting Guidelines (new)</p> <p>S252(2) RO Act 2009</p>	<p>"The committee of management statement must include declarations by the committee of management as to whether in the opinion of the committee of management that...</p> <p>(e)(iv) where the organisation consists of 2 or more reporting units, 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;"</p> <p>"Where an organisation consists of 2 or more reporting units, the financial records.... (etc) must be kept.....". (as above)</p>	<p>This declaration applies where an organization (e.g. 'the AEU') consists of 2 or more reporting units (e.g. 'the NT Branch'). Note 1 to sub-section 252(2) of the RO Act explains that this requirement would involve (for example) the "adoption of consistent accounting policies and a common chart of accounts for all reporting units in the organisation."</p> <p>Note that the requirement is qualified/mitigated by the words "<i>as far as practicable</i>".</p>
<p>Reporting Guideline 11(g) (former)</p> <p>And</p> <p>11(h) (former)</p> <p>Cf. 17(f) (new) and 17(g) (new)</p> <p>Income Statement or Notes</p> <p>See also 21(c) and (d) (new)</p>	<p>"Balances for the following items of expense must be disclosed by the reporting unit...</p> <p>"employee benefits to holders of office of the reporting unit;</p> <p>"employee benefits to employees (other than holders of offices) of the reporting unit"</p> <p>"Balances for the following items of expense must be disclosed by the reporting unit.....</p> <p>(f) employee expenses related to <u>holders of office</u> by (i) wages and salaries; (ii) superannuation; (iii) leave and other entitlements; (iv) separation and redundancies; and (v) other employee expenses (specify if material)</p> <p>Balances for the following items of expense must be disclosed by the reporting unit.....</p> <p>(f) employee expenses related to <u>employees (other than holders of office)</u> by (i) wages and salaries; (ii) superannuation; (iii) leave and other entitlements; (iv) separation and redundancies; and (v) other employee expenses (specify if material)"</p>	<p>There has always been a requirement to report employment-related payments and provisions separately between those who are holders of office and those who are not. It must be clear from the employment benefits balances in the Statement of Comprehensive Income, or from the Notes related to Employee Benefits provisions whether (if any) a portion pertains to holders of office. It must be possible for FWC to ascertain whether any related party disclosure for key management (e.g. 'officers') compensation is applicable in accordance with AASB 124.</p> <p>The new Reporting Guidelines identify various sub-categories.</p> <p>All balances related to the payment or provision for employment benefits in the prescribed categories listed should be clearly described as either made to elected office-holders or to non-office-holder employees.</p>
Reporting Guideline (former) 11(j)	<p>"Balances for the following items of expense must be disclosed...</p> <p>"(j) legal costs and other expenses related to litigation or other legal matters"</p>	The Statement of Comprehensive income or Notes must disclose separate balances for legal and audit expenses where they occur.

<p>AASB 1054 - 10, 11</p> <p>Cf. Reporting Guideline (new) 17(j)</p>	<p>“An entity shall disclose fees to each auditor....separately for</p> <p>(a) the audit....</p> <p>(b) all other services performed during the reporting period</p> <p>....an entity shall describe the nature of other services”</p> <p>“Balances for the following items of expense must be disclosed...</p> <p>“(j) legal costs and other expenses related to litigation or other legal matters”</p>	<p>Note that AASB 1054 distinguishes between “fees to the auditor for the audit” and other expenses paid to auditors such as “accountancy”, for example.</p>
<p>paragraph 23 of Australian Auditing Standard (ASA) 700</p>	<p>“The introductory paragraph in the auditor’s report shall...(c) identify the title of each statement that comprises the financial report”</p>	<p>The introductory paragraph of the auditor’s report must specify by name the statement of Equity along with the names of each of the other statements</p>

From: KELLETT, Stephen
To: ["Secretary"](#)
Subject: Attention Mr Peter Clisby - Financial reports y/e 31 Dec 2011, 31 Dec 2012 - filing
Date: Wednesday, 29 January 2014 1:45:00 PM
Attachments: [AEU_NT_FR2011_2902_FR2012_589 \(final\).pdf](#)

Dear Peter,

Please see attached my letter in relation to the above.

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6723 7237
(email) stephen.kellett@fwc.gov.au

From: Secretary [mailto:secretary@aeunt.org.au]
Sent: Tuesday, 28 January 2014 4:56 PM
To: KELLETT, Stephen
Subject: RE: Instructions for preparing amended 2012 Operating Report

Dear Stephen,

Please find attached the Amended 2012 Operating Report 2012, as requested.

Regards
peter



Peter Clisby
Secretary AEU NT

Telephone 08 8948 5399

Mobile 0408 120 010

Email: secretary@aeunt.org.au website: www.aeunt.org.au

Australian Education Union NT Branch
Registered Office: Unit 3, 8 Totem Rd
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Operating Report for AEU NT Branch for the year ended 31 December 2012 **(Amended)**

Committee of Management during the reporting period

President	Matthew Cranitch
Secretary	Peter Clisby
Vice President	Rachel Helliwell
(General division)	
Vice President (TAFE)	Gerry McKeegan
Treasurer	Stephen Pelizzo
Indigenous Officer	Cassandra Brown
Women's Officer	Jodie Clegg until Feb 2012
	Rosie Lawrence from Feb 2012 to October 2012
	Melanie Baldwin from October 2012

Councillors

Julie Danvers

Melanie Baldwin until October 2012, replaced by Kristin Doyle from Oct 2012

Martin Griffin

Dean Parkin

Paula Thornton

Mike Bodnar

Judy Boland

Liam Phillips

John Shields

Nathaniel Smith

Murray Waycott until 16/1/12 replaced by Wayne McGillivray from March 2012

Glyniss Winslade

Peter Hardcastle

Operating Report

Review of Operations

A review of operations of the Australian Education Union – Northern Territory during the reporting period and the results of those operations found that during the year the Australian Education Union – Northern Territory continued to engage in its principal activity.

Significant Changes in State of Affairs

No significant changes in the financial affairs of the Australian Education Union – Northern Territory occurred during the financial year.

Principal Activities

The principal activity of the Australian Education – Northern Territory during the reporting period was the protection and improvement of employment conditions for its members. No significant changes in the nature of this activity occurred during the reporting period.

Right 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 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;

(c) 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.

Operating Report (Continued)

(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 membership of the Union by written notice addressed to and delivered to the Secretary of the Branch to which the member is attached.

(4) A notice of resignation from membership takes effect:-

(a) here the member ceases to be eligible to become a member of the Union –

(i) on the day on which the notice is received at the office of the relevant Branch Secretary;
or

(ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member; whichever is later; or

(b) in any other case –

(i) at the end of 2 weeks after the notice is received at the office of the relevant Branch Secretary;
or

(ii) on the day specified in the notice; whichever is later.

(5) Any subscriptions, levies or fines which are due and payable but have not been paid by a former member in relation to a period before the member's resignation took effect, may be sued for and recovered in the name of the Union, in a court of competent 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.

Membership and Employee Numbers

The number of employees at 31 December 2012 was 4 full time employees.

The number of members at 31 December 2012 was 1988.

Operating Report (Continued)

Directorship of Superannuation Fund

To the best of our knowledge and belief, no officer or member of the organisation, by virtue of their office or membership of the Australian Education Union – Northern Territory is:

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

or

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

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

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

Designated Officer
Peter Clisby
Secretary AEU NT




Dated this 29th day of January, 2014

From: KELLETT, Stephen
To: ["secretary@aeunt.org.au"](mailto:secretary@aeunt.org.au)
Subject: Re financial report y/e 31 Dec 2012 - queries
Date: Friday, 24 January 2014 4:16:00 PM
Attachments: [AEU NT FR2011 2902 Designated Officer Certificate 2011.pdf](#)
[AEU NT FR2011 2902 Operating Report 2011.pdf](#)
[AEU - NT FR2012 589 DOC.pdf](#)
[AEU - NT 2012 operating report.pdf](#)

Dear Mr Clisby,

I am currently examining the financial reports for the years end 31 Dec 2011 and 31 Dec 2012. I would appreciate the opportunity to clarify a couple of matters.

I attach a copy of the Operating Report for the year 2011, and a copy of the Operating report for the year 2012 and a copy of your Designated Officer's Certificates for reference.

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6723 7237
(email) stephen.kellett@fwc.gov.au

From: [Secretary](#)
To: [Orgs](#)
Subject: AEU NT 2012 Financial Report
Date: Monday, 27 May 2013 10:29:36 AM
Attachments: [Designated officer Certificate 2013.pdf](#)
[Financial Statement 2012.pdf](#)
[Committee of Management declaration 2012 Financials.pdf](#)

Australian Education Union NT Branch

Please find attached the Designated Officer Certificate, Committee of Management Statement provided to the AEU NT Auditor and the audited 2012 Financial report.

Regards
Peter

Peter Clisby
Secretary AEU-NT

Telephone 08 8948 5399
Mobile 0408 120 010
Email: secretary@aeunt.org.au website: www.aeunt.org.au

Australian Education Union NT Branch
Registered Office: Unit 3, 8 Totem Rd
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Designated Officer's Certificate

s268 Fair Work (Registered Organisations) Act 2009

I, Peter Clisby, being the Secretary of the Australian Education Union NT Branch certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on 10th May 2013 at our Annual Conference and through the Territory Educator which is our member publication sent to each sub branch for distribution. It was also made available on the AEU NT website and
- that the full report was presented to the Annual Conference on 10th May 2012 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature

A handwritten signature in black ink, appearing to read 'P. Clisby', with a long horizontal line extending to the right.

Date:

23/5/13

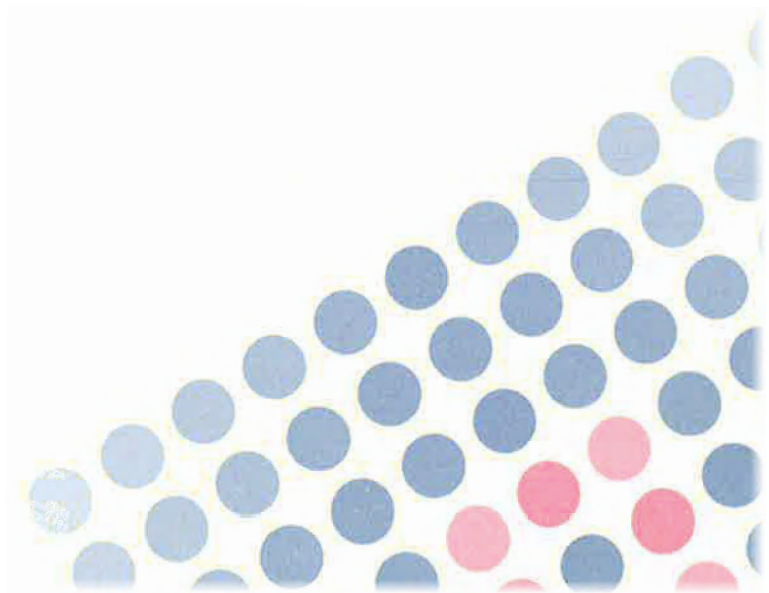


Australian Education Union NT Branch

Financial Statements

for

the year ended 31 December 2012



Australian Education Union NT Branch

ABN: 64 406 978 451

Financial Report For The Year Ended 31 December 2012

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AUSTRALIAN EDUCATION UNION NT BRANCH
ABN: 64 406 978 451
MEMBERS' REPORT

Your members present this report on the association for the financial year ended 31 December 2012.

Committee Members

The names of each person who has been a committee member during the year and to the date of this report are:

Matthew Cranitch
Peter Clisby
Stephen Pelizo
Renzo Giuliani
Julie Danvers
Melanie Baldwin
Cassandra Brown
Martin Griffin
Dean Parkin
Paula Thornton
Mike Bodnar
Judy Boland
Liam Phillips
John Shields
Nathaniel Smith
Wayne McGillivray
Glyniss Winslade

Principal Activities

The principal activities of the entity during the financial year were: union activities for teachers in the Northern Territory.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The profit from ordinary activities after providing for income tax amounted to

2012	2011
\$	\$
81,724	53,734

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2012 has been received and can be found on page 2 of the financial report.

Signed in accordance with a resolution of the Members of the Committee.

Director



Matthew Cranitch

Dated this

17th day of April 2013

AUSTRALIAN EDUCATION UNION N.T. BRANCH

Auditor's Independence Declaration To the members of Australian Education Union N.T. Branch

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2012 there have been:

- (i) no contraventions of the auditor independence requirements set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Barry Hansen
Registered Company Auditor

AUSTRALIAN EDUCATION UNION NT BRANCH
ABN: 64 406 978 451

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012	2011
		\$	\$
Revenue	2	1,211,763	1,213,945
Other income	2	-	7,699
Employee benefits expense		(542,553)	(599,563)
Depreciation and amortisation expense		(25,053)	(30,860)
Doubtful debts expense		-	(9,404)
Repairs, maintenance and vehicle running expenses		(11,664)	(11,806)
Fuel, Light and power expense		(5,239)	(4,875)
AEU expenses		(17,048)	(18,243)
Capitation fees		(59,052)	(63,263)
Committee expenses		(97,194)	(63,743)
Conference/seminar costs		(76,940)	(80,824)
Payroll tax		(27,271)	(31,986)
Specific projects expenses		(28,667)	(36,839)
Organiser expenses		(18,068)	(16,857)
Fringe Benefits tax		(7,502)	(5,725)
Affiliation fees		(8,053)	(8,408)
Insurance		(17,720)	(11,764)
Hire plant and equipment		(10,828)	(18,065)
Computer expenses		(29,723)	(5,231)
Telephone		(17,526)	(20,105)
Travel and accommodation		(14,756)	(16,438)
Audit, legal and consultancy fees		(77,529)	(76,097)
Other expenses		(37,653)	(37,814)
Profit before income tax		81,724	53,734
Income tax expense	1(k)	-	-
Profit for the year		81,724	53,734
Profit attributable to members of the entity		81,724	53,734

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION NT BRANCH
ABN: 64 406 978 451
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 \$	2011 \$
Profit for the year		81,724	53,734
Other comprehensive income:			
Prior year adjustment to employee leave provisions	2(a)	-	44,222
Other comprehensive income for the year		-	<u>44,222</u>
Total comprehensive income for the year		<u>81,724</u>	<u>97,956</u>
Total comprehensive income attributable to members of the entity		<u><u>81,724</u></u>	<u><u>97,956</u></u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION NT BRANCH
ABN: 64 406 978 451
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	1,402,431	1,242,679
Accounts receivable and other debtors	4	<u>1,005</u>	<u>218</u>
TOTAL CURRENT ASSETS		<u>1,403,436</u>	<u>1,242,897</u>
NON-CURRENT ASSETS			
Financial assets	5	10	10
Property, plant and equipment	6	<u>383,613</u>	<u>392,896</u>
TOTAL NON-CURRENT ASSETS		<u>383,623</u>	<u>392,906</u>
TOTAL ASSETS		<u>1,787,059</u>	<u>1,635,803</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	7	122,906	36,876
Provision for employee benefits	8	<u>44,752</u>	<u>38,045</u>
TOTAL CURRENT LIABILITIES		<u>167,658</u>	<u>74,921</u>
NON-CURRENT LIABILITIES			
Provision for employee benefits	8	<u>15,117</u>	<u>38,323</u>
TOTAL NON-CURRENT LIABILITIES		<u>15,117</u>	<u>38,323</u>
TOTAL LIABILITIES		<u>182,776</u>	<u>113,244</u>
NET ASSETS		<u>1,604,283</u>	<u>1,522,559</u>
EQUITY			
Retained surplus		<u>1,604,283</u>	<u>1,522,559</u>
TOTAL EQUITY		<u>1,604,283</u>	<u>1,522,559</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION NT BRANCH
ABN: 64 406 978 451
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Retained Surplus \$	Revaluation Surplus \$	Financial Assets Reserve \$	Total \$
Balance at 1 January 2011		1,424,601			1,424,601
Comprehensive Income					
Surplus for the year attributable to members of the entity		53,734			53,734
Other comprehensive income for the year		44,224			44,224
Total comprehensive income attributable to members of the entity		97,958	-	-	97,958
Balance at 31 December 2011		1,522,559	-	-	1,522,559
Comprehensive Income					
Surplus for the year attributable to members of the entity		81,724			81,724
Total comprehensive income attributable to members of the entity		81,724	-	-	81,724
Balance at 31 December 2012		1,604,283	-	-	1,604,283

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION NT BRANCH
ABN: 64 406 978 451
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 \$	2011 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipt of grants and other income		1,278,638	1,159,316
Payments to suppliers and employees		(1,156,552)	(1,130,038)
Interest received		<u>53,436</u>	<u>57,789</u>
Net cash generated from operating activities	9	<u>175,522</u>	<u>87,067</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	7,273
Payment for property, plant and equipment		<u>(15,770)</u>	<u>(34,935)</u>
Net cash used in investing activities		<u>(15,770)</u>	<u>(27,662)</u>
Net increase/(decrease) in cash held		159,752	59,405
Cash and cash equivalents at the beginning of the financial year		<u>1,242,679</u>	<u>1,183,274</u>
Cash and cash equivalents at the end of the financial year	3	<u><u>1,402,431</u></u>	<u><u>1,242,679</u></u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION NT BRANCH
ABN: 64 406 978 451
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

The financial statements cover Australian Education Union NT Branch as an individual entity, incorporated and domiciled in Australia.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the requirements of the Workplace Relations Act (RAO Schedule).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) Revenue

Australian Education Union NT Branch receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(b) Inventories on hand

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and impairment losses.

Freehold Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in the statement of comprehensive income.

As the revalued buildings are depreciated, the difference between depreciation recognised in the statement of comprehensive income, which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost, is transferred from the revaluation surplus to retained earnings.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost or for nominal cost are initially recognised and measured at the fair value of the asset at the date it is acquired.

AUSTRALIAN EDUCATION UNION NT BRANCH

ABN: 64 406 978 451

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	15-40%
Motor Vehicles	15-20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale financial assets

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a 'loss event') has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the writing off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

(f) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(i) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(l) Intangibles

Software

Software is initially recognised at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between [insert year] and [insert year] years. It is assessed annually for impairment.

(m) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Note 2 Revenue and Other Income

	2012	2011
	\$	\$
— Conference Income	2,818	3,464
— Membership fees	1,127,168	1,145,823
— Rebates and refunds	2,029	2,450
— Body Corporate Income	3,399	4,419
— DET Relief Teacher Funding	22,913	-
	<u>1,158,327</u>	<u>1,156,156</u>
Other revenue		
— interest received	53,436	57,789
	<u>53,436</u>	<u>57,789</u>
Total revenue	<u>1,211,763</u>	<u>1,213,945</u>
Other income		
— Gain on disposal of property, plant and equipment	-	7,273
— Other	-	426
Total other income	<u>-</u>	<u>7,699</u>
Total revenue and other income	<u>1,211,763</u>	<u>1,221,644</u>

Note 2(a) Comprehensive income

	2012	2011
	\$	\$
Adjustments to prior years employee provisions		
— Prior years employee benefit provisions	-	44,222
Total Comprehensive Income	<u>-</u>	<u>44,222</u>

Note 3 Cash and Cash Equivalents

	2012	2011
	\$	\$
CURRENT		
Cash at bank - unrestricted	1,402,431	1,242,679
Total cash and cash equivalents as stated in the cash flow statement	<u>1,402,431</u>	<u>1,242,679</u>

Note 4 Accounts Receivable and Other Debtors

	2012	2011
	\$	\$
CURRENT		
Accounts receivable	1,005	9,622
Provision for doubtful debts	4(i) -	(9,404)
	<u>1,005</u>	<u>218</u>
Total current accounts and other receivables	10 <u>1,005</u>	<u>218</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

(n) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(o) Accounts Payable and Other Payables

Accounts payable and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(p) Critical Accounting Estimates and Judgments

The directors evaluate 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 company.

(q) Information to be provided to Members or Registrar

- 1 A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- 2 The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- 3 A reporting unit must comply with an application made under subsection 1.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Note 5 Financial Assets

	Note	2012 \$	2011 \$
NON-CURRENT			
— Investments in shares		10	10
		<u>10</u>	<u>10</u>

Note 6 Property, Plant and Equipment

	2012 \$	2011 \$
LAND AND BUILDINGS		
Buildings at fair value:		
— Directors valuation 2012	320,389	320,389
Total buildings	<u>320,389</u>	<u>320,389</u>
Total land and buildings	<u>320,389</u>	<u>320,389</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	94,891	79,121
Less accumulated depreciation	<u>(77,420)</u>	<u>(70,147)</u>
	17,471	8,974
Motor vehicles		
At cost	119,584	119,584
(Accumulated depreciation)	<u>(73,831)</u>	<u>(56,051)</u>
	45,753	63,533
Total plant and equipment	<u>63,224</u>	<u>72,507</u>
Total property, plant and equipment	<u>383,613</u>	<u>392,896</u>

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings \$	Motor Vehicles \$	Plant and Equipment \$	Total \$
2011				
Balance at the beginning of the year	320,389	82,919	18,477	421,785
Additions at cost	-		1,971	1,971
Depreciation expense	-	<u>(19,388)</u>	<u>(11,472)</u>	<u>(30,860)</u>
Carrying amount at end of year	<u>320,389</u>	<u>63,531</u>	<u>8,976</u>	<u>392,896</u>
2012				
Balance at the beginning of the year	320,389	63,531	8,976	392,896
Additions at cost			15,770	15,770
Depreciation expense		<u>(17,778)</u>	<u>(7,275)</u>	<u>(25,053)</u>
Carrying amount at end of year	<u>320,389</u>	<u>45,753</u>	<u>17,471</u>	<u>383,613</u>

Note 7 Accounts Payable and Other Payables

	Note	2012 \$	2011 \$
CURRENT			
Accounts payable		15,449	19,481
Accrued wages		10,198	-
Other current payables		26,377	4,575
GST payable		8,496	3,108
Accrued expenses		4,394	
Amounts held from salary and wages		57,992	9,712
	7(a)	<u>122,906</u>	<u>36,876</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
(a) Financial liabilities at amortised cost classified as trade and other payables		
Accounts payable and other payables		
— Total current	122,906	36,876
	<u>122,906</u>	<u>36,876</u>
Less deferred income		
Less annual leave entitlements		
Financial liabilities as accounts payable and other payable: 10	<u>122,906</u>	<u>36,876</u>

Note 8 Provisions

	2012	2011
CURRENT		
Short-term Employee Benefits		
Opening balance at 1 January 2012	38,045	83,990
Additional provisions raised during year	6,707	(45,945)
Balance at 31 December 2012	<u>44,752</u>	<u>38,045</u>
NON-CURRENT		
Long-term Employee Benefits		
Opening balance at 1 January 2012	38,323	74,366
Additional provisions raised during year	-	(36,043)
Amounts used	(23,206)	-
Balance at 31 December 2012	<u>15,117</u>	<u>38,323</u>

	2012	2011
	\$	\$
Analysis of Total Provisions		
Current	44,752	38,045
Non-current	15,117	38,323
	<u>59,870</u>	<u>76,368</u>

Provision for Non-current Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 of financial statements.

AUSTRALIAN EDUCATION UNION NT BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Note 9 Cash Flow Information

Reconciliation of Cashflow from Operations with Profit after Income Tax	2012	2011
	\$	\$
Profit after income tax	81,724	53,734
Non cash flows		
Depreciation and amortisation expense	25,053	30,860
Profit on sale of property, plant and equipment	-	7,273
Doubtful debts expense	-	9,404
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable and other debtors	(787)	2,733
Increase/(decrease) in accounts payable and other payables	86,030	(21,612)
Increase/(Decrease) in provisions for employee benefits	(16,499)	(45,945)
Increase in other provisions	-	50,620
	175,522	87,067
	175,522	87,067

Note 10 Financial Risk Management

The company's financial statements consist mainly of deposits with banks, local money market instruments, short-term investments and long-term investments, receivables and payables, and lease liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2012	2011
		\$	\$
Financial Assets			
Cash and cash equivalents	3	1,402,431	1,242,679
Accounts receivable and other debtors	4	1,005	218
— investments in Australian listed shares, available for sale	5	10	10
Total Financial Assets		1,403,446	1,242,907
Financial Liabilities			
Financial liabilities at amortised cost			
— Accounts payable and other payables	7(a)	122,906	36,876
Total Financial Liabilities		122,906	36,876

Financial Risk Management Policies

The Committee is responsible for monitoring and managing the union's compliance with its risk management strategy. The Committee's overall risk management strategy is to assist the union in meeting its financial targets whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Committee on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the union is exposed to, how these risks arise, or the Committee's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the union. The union does not have any material credit risk exposures as its major source of revenue is the receipt of membership fees.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 4.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments, which are carried at amortised cost (i.e. accounts receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the union.

	Footnote	2012		2011	
		Carrying Value \$	Fair Value \$	Carrying Value \$	Fair Value \$
Financial assets					
Cash and cash equivalents	(i)	1,402,431	1,402,431	1,242,679	1,242,679
Accounts receivable and other debtors	(i)	1,005	1,005	218	218
— listed investments available for sale	(ii)	10	10	10	10
Total financial assets		1,403,446	1,403,446	1,242,907	1,242,907
Financial liabilities					
Accounts payable and other payables	(i)	122,906	122,906	36,876	36,876
Total financial liabilities		122,906	122,906	36,876	36,876

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables excludes amounts relating to the provision of annual leave which is outside the scope of AASB 139.
- (ii) For listed available-for-sale and held-for-trading financial assets, closing quoted bid prices at the end of the reporting period are used. In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).

Note 11 Reserves

(a.) Revaluation Surplus

The revaluation surplus records the revaluations of non-current assets. Where revaluations are deemed to represent profits of a permanent nature, dividends may be declared from this surplus.

(b.) Financial Assets Reserve

The financial asset reserve records revaluation increments and decrements (that do not represent impairment write-downs) that relate to financial assets that are classified as available-for-sale.

Note 12 Entity Details

The registered office of the entity is:

Australian Education Union NT Branch
 PO Box 41863
 Nightcliff
 NT 0811

Australian Education Union NT Branch (AEU NT)

Sections 253 & 255 Fair Work (Registered Organisations) Act 2009 (RO Act)

Paragraphs 24, 25 & 26 of the reporting guidelines of the General Manager issued pursuant to section 255 of the RO Act

COMMITTEE OF MANAGEMENT STATEMENT

On 1st May 2013 the Executive of the AEU NT passed the following resolution in relation to the general purpose financial report (GPFR) for the period ended 31st December 2012.

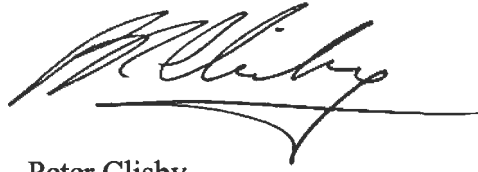
The Executive declares that in its opinion¹:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of the Fair Work Commission;
- (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 unit will be able to pay its debts as and when they become due and payable; and
- (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) information has been furnished to any member of the reporting unit or to the General Manager of the Fair Work Commission, as the case may be, where information sought by the member or the General Manager of the Fair Work Commission was duly made under section 272 of the RO Act; and
 - (v) there has been compliance with any order for inspection of financial records made by the Fair Work Commission under section 273 of the RO Act.
- (f) the reporting unit has not engaged in recovery of wages activity which has resulted in the derivation of revenue in respect of such activity.

This declaration is made in accordance with a resolution of the Committee of Management.

Date 1st May 2013

Signature of designated officer

A handwritten signature in black ink, appearing to read 'P. Clisby', with a long horizontal flourish extending to the right.

Name of designated officer Peter Clisby

Office held Secretary AEU NT

AUSTRALIAN EDUCATION UNION NT BRANCH

Independent audit report

To the members of Australian Education Union NT Branch

Scope

The financial report and the Branch's responsibility

The financial report is a general purpose report comprising the Committee's Report, Statement by Members of the Management Committee, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and accompanying Notes to the Financial Statements for the Australian Education Union NT Branch ("the Branch") for the year ended 31 December 2012.

The Branch is responsible for preparing a financial report that presents fairly the financial position and performance of the Branch and that complies with Accounting Standards and other mandatory financial reporting requirement in Australia and relevant provisions of Part 3 of Chapter 8 of Schedule 1 (RAO Schedule) of the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

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

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

AUSTRALIAN EDUCATION UNION NT BRANCH

Independent audit report to the members of the Australian Education Union NT Branch (con't)

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

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

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

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgment of the appropriateness or reasonableness of the business plans or strategies adopted by the Branch or management.

Independence

We are independent of the Branch, and have met the independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion the general purpose financial report of the Australian Education Union NT Branch for the year ended 31 December 2012 is presented fairly, in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 (RAO Schedule) of the Workplace Relations Act 1996.



Barry Hansen
Registered Company Auditor
Darwin

Date: 03 May 2013



FAIR WORK
COMMISSION

18 January 2013

Mr Peter Clisby
Branch Secretary
Australian Education Union-Northern Territory Branch
Sent by email: secretary@aeunt.org.au

Dear Mr Clisby,

Re: Lodgement of Financial Report - [FR2012/589]
Fair Work (Registered Organisations) Act 2009 (the RO Act)

The financial year of the Australian Education Union-Northern Territory Branch (the reporting unit) ended on 31 December 2012.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date, namely 15 July 2013 (that is the period within 6 months and 14 days of the end of the financial year) under s.268 of the RO Act.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets regarding financial reporting under the RO Act are provided on the Fair Work Commission website at: [Financial Reporting Fact Sheets](#).

The documents can be emailed to orgs@fwc.gov.au. If it is envisaged that the financial report cannot be lodged by the due date you are requested to contact this office prior to the due date to discuss the issue.

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$33,000 for a body corporate and \$6,600 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at robert.pfeiffer@fwc.gov.au.

Yours sincerely,

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /	As soon as practicable after end of financial year
(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).		
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	Within a reasonable time of having received the GPFR (NB: Auditor's report must be dated on or after date of Committee of Management Statement)
Provide full report free of charge to members – s265 The full report includes: <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting, or (b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.