



FAIR WORK
COMMISSION

24 January 2014

Mr Graham Moloney
Secretary, Queensland Branch
Australian Education Union
PO Box 1591
MILTON QLD 4064

Dear Mr Moloney,

Re: Lodgement of Financial Statements and Accounts - Australian Education Union, Queensland Branch - for years ended 31 December 2011 (FR2011/2901), 31 December 2012 (FR2012/588)

I refer to the above financial statements and accounts. The documents in relation to the year ended 31 December 2011 were first lodged with the Fair Work Commission on 15 May 2012. The documents in relation to the year ended 31 December 2012 were lodged on 4 July 2013. A corrected Designated Officer's Certificate for the year 2012 was lodged yesterday, 23 January 2014. I acknowledge an unusual delay in corresponding in relation to these reports.

Overall, the reports complied with legislative requirements although I noted that:

- (i) the auditor's report for 2012 did not specify by name the Committee of Management Statement in the introductory paragraph;¹
- (ii) the Committee of Management Statements for both years did not include one of the prescribed declarations;²
- (iii) the Notes to the Financial Statements for both years omitted explicit reference to the *Fair Work (Registered Organisations) Act 2009* and whether for the purposes of preparing the report the Branch was a not-for-profit entity.³

I note also that though the operating reports for both years set out a comprehensive review of the activities, they omitted a statement whether or not there had been any significant changes to the nature of the principal activities, as referred to in subsection 254(2)(a).⁴ I consider that future operating reports should, consistent with the operating reports for all previous years, also include such a statement.

¹ See paragraph 23 of Australian Auditing Standard (ASA) 700: "*The introductory paragraph in the auditor's report shall... (c) identify the title of each statement that comprises the financial report*"

² See paragraph 25(e)(iv) of the former Reporting Guidelines; cf. paragraph 41(e)(iv) of the new Reporting Guidelines. "*where the organisation (i.e. the Australian Education Union) consists of 2 or more reporting units, the financial records of the reporting unit (i.e. the Queensland Branch) have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation.*" The scope of the declaration is qualified by the words "as far as practicable".

³ See Australian Accounting Standard (AASB) 1054, paragraph 8: "*An entity shall disclose in the notes (a) the statutory basis or other reporting framework under which the financial statements are prepared; (b) whether, for the purposes of preparing the financial statements, it is a for-profit or not-for-profit entity.*"

⁴ "*The operating report must (a) contain a review of the reporting unit's principal activities during the year, the results of those activities and any significant changes in the nature of those activities during the year.*"

In addition, I note that the Operating reports for both years stated there were “no significant changes in the state of affairs of the Branch”. This appears to be consistent with statements in earlier years, but as it is not completely reflective of the wording of subsection 254(2)(b) of the Act which requires that the report “give details of any significant changes to reporting unit’s *financial affairs*”, I suggest that future operating reports refer here to the “financial affairs”.

I have filed the documents. You will be aware that new Reporting Guidelines issued on 26 June 2013 apply to the financial report for the year ended 31 December 2013. If you have any questions in relation to the new or additional requirements, please do not hesitate to contact the Regulatory Compliance Branch at the Melbourne office of the Fair Work Commission.

Yours sincerely

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal line extending to the right from the end of the name.

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

From: KELLETT, Stephen
To: ["John Wild"](#)
Subject: Attention Mr Graham Moloney - financial reports y/e 31 Dec 2011 - 31 Dec 2012 - filing
Date: Friday, 24 January 2014 11:43:00 AM
Attachments: [AEU QLD FR2011_2901 FR2012_588 \(final\).pdf](#)

Dear Mr Wild,

Please see attached my letter to the Secretary 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



AUSTRALIAN EDUCATION UNION

Queensland Branch ABN 47 599 010 588

The Teachers' Building, 21 Graham Street, Milton, Queensland, Australia

Ph: 07 3512 9000 Fax: 07 3512 9050

Address all correspondence to: The Branch Secretary, PO Box 1591, Milton BC, Q 4064

In reply please quote:

gmw

10 May 2012

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



Dear Sir

Please find enclosed the dated Financial Statements for the year ended 31 December 2011 for the Australian Education Union (Queensland Branch) accompanied by a verification statement from the Branch Secretary, Mr Graham Moloney.

Yours sincerely

A handwritten signature in cursive script that reads "Gail Woods".

Gail Woods
Finance & Corporate Services Manager

Designated Officer's Certificate or other Authorised Officer
s268 *Fair Work (Registered Organisations) Act 2009*

I Graham Moloney being the Branch Secretary of the Australian Education Union (Queensland 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 17 February 2012 and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 8th May 2012; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature

G. Moloney

Date:

10 May, 2012 .



Queensland Branch

Financial Statements 2011

OPERATING REPORT

The Committee of Management of the Queensland Branch of the Australian Education Union present this operating report in relation to the financial year ended 31 December 2011.

Principal Activity

The principal activity during the financial year was to undertake the function of a trade union of employees.

Results of Operation

The net result for the year was \$0 (2010 - \$0).

Review of Activities

The Australian Education Union (Queensland Branch) is the federal counterpart of the Queensland Teachers Union of Employees ("the QTU"), a union registered under the Industrial Relations Act 1999 (Queensland), with virtually identical membership. Because, the members of the two organisations are all employed under Queensland industrial laws, the principal activities on behalf of members are conducted by the QTU.

Members of both organisations were fully represented in the national decision-making forums of the Australian Education Union including the Federal Conference, the National TAFE Council, the Federal Executive and the National TAFE Council Executive. Members of both organisations also participated in the Education International World Congress in Capetown, South Africa, in July this year.

Members of both organisations were also represented on the Principals Committee, the Early Childhood Education Committee, and the Aboriginal and Torres Strait Islander Committee. A member of both organisations was also a member of the International Trust Fund Committee.

Members of both organisations participated in a number of nationally organised campaign activities particularly in association with the federal review of school funding, and the national campaign in support of TAFE, including lobbying events in Canberra.

Officers and employees of the QTU also participated in a range of national meetings in specialist areas including industrial matters, research, women's issues and union training.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Branch.

Rights of Members to Resign

As specified in Rule 17(3) of the Federal Branch Rules of the Australian Education Union, 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.

No Members or Officers are Trustees of a Superannuation Entity or an Exempt Public Sector Superannuation Scheme
The committee of management is not aware of any officers or members of the Branch who are:

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

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

Number of Members

As at 31 December 2011, the number of members was 43,304 (2010 - 43,519).

Number of Employees

There were 0 employees for the year (2010 - 0 employees).

OPERATING REPORT - continued

Committee of Management

The names of each Executive member during the year ended 31 December 2011 were:

John Battams (Branch Secretary)	Steve Ryan (Branch President)
Graham Moloney (Branch Deputy Secretary)	Julie Brown (Branch Deputy President)
Peter Darben	Andrew Beattie
Perry Anderson	Naomi Closter
Robyn Sugden	Linda Esders
Samantha Pidgeon	Lyn Winch
Alison Welch	

This report is made in accordance with a resolution of the Committee of Management on 13 February 2012.



Graham Moloney
Deputy Branch Secretary

Dated: 13 February 2012

Brisbane, Queensland

COMMITTEE OF MANAGEMENT REPORT

In accordance with Section 253(2)(c) of the Fair Work (Registered Organisations) Act 2009, the Executive of the Queensland Branch of the Australian Education Union passed the following resolution, in relation to the financial report of the reporting unit for the financial year ended 31 December 2011:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (c) the financial statements and notes give a true and fair view 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;
- (e) during the financial year to which the financial report 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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) no requests have been made by a member or a Registrar under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (v) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period .
- (f) In relation to the recovery of wages activity:
 - (i) there has been no such activity undertaken by the reporting unit.

This report is made in accordance with a resolution of the Committee of Management dated 13 February 2012.



Graham Moloney
Deputy Branch Secretary

Dated: 13 February 2012

Brisbane, Queensland

Independent auditor's report to the members of the Australian Education Union (Queensland Branch)

We have audited the accompanying financial report of Australian Education Union (Queensland Branch) ("the Branch"), which comprises the balance sheet as at 31 December 2011, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Committee of Management's declaration.

Committee of Management's Responsibility for the Financial Report

The members of the Committee of Management of the Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and with Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 and for such internal controls as the Committee of Management determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(d), the Committee of Management also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Branch's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of 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 Australian professional accounting bodies.

Opinion

In our opinion:

1. the financial report presents fairly, in all material respects, of the financial position of Australian Education Union (Queensland Branch) as of 31 December 2011, and its financial performance and cash flows for the year ended on that date in accordance with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009;
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

PMcLuskie

Paula McLuskie
Chartered Accountant
Certificate of Public Practice: 320791

Ernst & Young

Ernst & Young
Brisbane
13 February 2012

BALANCE SHEET**AS AT 31 DECEMBER 2011**

ACCUMULATED FUNDS	2011	2010
	\$	\$
General Fund	<u>\$ 66</u>	<u>\$ 66</u>
Represented by		
CURRENT ASSETS		
Cash at Bank	289	400
Sundry Debtors	<u>3,077</u>	<u>2,966</u>
	3,366	3,366
CURRENT LIABILITIES		
Creditors & Accruals	<u>3,300</u>	<u>3,300</u>
NET ASSETS	<u><u>\$ 66</u></u>	<u><u>\$ 66</u></u>

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
AS AT 31 DECEMBER 2011**

ACCUMULATED FUNDS	2011	2010
	\$	\$
Balance 1 January	66	66
Surplus / (Deficit) for the year	<u>-</u>	<u>-</u>
TOTAL ACCUMULATED FUNDS	<u><u>\$ 66</u></u>	<u><u>\$ 66</u></u>

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011	2010
	\$	\$
INCOME		
Membership	1,291,694	1,297,660
Public Education Levy	118,287	122,037
Schools Funding Review	134,516	202,862
Bank Interest	5	3
Donations from Queensland Teachers' Union	3,577	3,466
	<u>\$ 1,548,079</u>	<u>\$ 1,626,028</u>
EXPENDITURE		
Audit	3,399	3,396
Bank Charges	105	1
Postage	78	72
Subscriptions - Australian Education Union Federal	1,291,694	1,297,660
Schools Funding Review - Australian Education Union Federal	134,516	202,862
Public Education Levy - Australian Education Union Federal	118,287	122,037
	<u>\$ 1,548,079</u>	<u>\$ 1,626,028</u>
EXCESS OF INCOME OVER EXPENDITURE	nil	nil
Other comprehensive income	-	-
Total excess of income over expenditure	<u>-</u>	<u>-</u>

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

		2011 INFLOWS (OUTFLOWS) \$	2010 INFLOWS (OUTFLOWS) \$
CASH FLOWS FROM OPERATING ACTIVITIES			
	Notes		
RECEIPTS			
Donations Received		3,466	257
Interest Received		5	3
Membership		1,291,694	1,297,660
Schools Funding Review		134,516	202,862
Public Education Levy		118,287	122,037
GST Received		300,760	153,469
PAYMENTS			
Supplies and Other		(3,582)	(3,369)
Subscriptions - Australian Education Union Federal		(1,291,694)	(1,297,660)
Schools Funding Review - Australian Education Union Federal		(134,516)	(202,862)
Public Education Levy- Australian Education Union Federal		(118,287)	(122,037)
GST Paid to Suppliers and Others		(300,760)	(153,159)
Net cash flows from operating activities	4	<u>(111)</u>	<u>(2,799)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash flows from investing activities		<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flows from financing activities		<u>-</u>	<u>-</u>
Net (decrease)/ increase in cash held		(111)	(2,799)
Cash at beginning or reporting period		<u>400</u>	<u>3,199</u>
Cash and cash equivalents		<u>\$ 289</u>	<u>\$ 400</u>

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1 – ACCOUNTING POLICIES

(a) Basis of Preparation of Accounts

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

The financial report has also been prepared in accordance with the historical cost basis.

(b) Income Tax

No provision for income tax is made in the accounts as the Union is exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.

(c) Employees

All officers and staff are employed by the Queensland Teachers' Union of Employees.

(d) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standard ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

(e) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Union and the revenue can be reliably measured.

NOTE 2 – INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER

In accordance with the requirements of Fair Work (Registered Organisations) Act 2009 the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of section 272 which reads as follows:

- (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).

NOTE 3 – SEGMENT INFORMATION

The Queensland Branch of the Australian Education Union operates solely as the Queensland branch of a trade union in Australia, and is domiciled in Australia.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 4 – STATEMENT OF CASH FLOWS

(a) Reconciliation of the operating surplus/(deficiency) with the net cash flows from operating activities

	2011	2010
	\$	\$
Operating surplus/(deficiency)	-	-
Movement in assets and liabilities		
Decrease/(increase) in sundry debtors	(111)	(2,966)
Increase/(decrease) in sundry creditors	-	167
	<u>-</u>	<u>167</u>
Net cash flows from operating activities	<u>(111)</u>	<u>(2,799)</u>

Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at 31 December 2011

	2011	2010
	\$	\$
Cash on hand and at bank	<u>289</u>	<u>400</u>

Cash at Bank earns interest at floating rates based on daily bank deposit rates.

Fair value of cash and cash equivalents is \$ 289 (2010 - \$400).

Graham Moloney
Deputy Branch Secretary

Dated: 13 February 2012

Brisbane, Queensland



FAIR WORK
AUSTRALIA

3 February 2012

Mr John Battams
Secretary
Australian Education Union-Queensland Branch

(07) 3369 0022

Dear Mr Battams,

**Lodgement of Financial Documents for year ended 31 December 2011 [FR2011/2901]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Australian Education Union-Queensland Branch (the “reporting unit”) has recently ended. This is a courtesy letter to remind you of the obligation to prepare and process the reporting unit’s financial documents. The full financial report must be lodged with Fair Work Australia within a period of 6 months and 14 days of the end of the financial year.

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. The attached *Timeline/Planner* summarises these requirements.

In addition, financial reporting fact sheets and sample documents can be found on our Fair Work Australia website. The information can be viewed at www.fwa.gov.au – under *Registered Organisations – Overview – Fact sheets*. This site also contains the Financial Reporting Guidelines.

This office encourages you to lodge all financial reports electronically (e.g. as pdf files) at orgs@fwa.gov.au. Alternatively, you can forward the documents by fax to (03) 9655 0410.

Please do not hesitate to contact me on (03) 8661 7764 or by email at kevin.donnellan@fwa.gov.au if you wish to discuss the requirements outlined in this correspondence.

Yours sincerely,

Kevin Donnellan
Organisations, Research & Advice
Fair Work Australia

TIMELINE/ PLANNER

Financial reporting period ending:	/ /
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Prepare financial statements and Operating Report.
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(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.	/ /
(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).	

As soon as practicable after end of financial year

Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
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*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	
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /

Within 6 months of end of financial year

Within 6 months of end of financial year

Lodge full report with Fair Work Australia, together with the #Designated Officer's certificate** – s268	/ /
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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.*