



FK 2005/673
Australian Education Union

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28 June 2006

Recd 3/7/06

Industrial Registrar
Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001

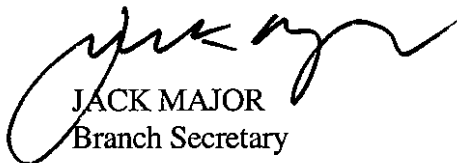
Dear Sir

Re: Australian Education Union (SA Branch) – Financial Reports

I certify that the attached copies of the General Purpose Financial Report, Committee of Management Statement, Operating Report and Auditor's Report for the financial year 1 January 2005 to 31 December 2005, are copies of the documents that were so presented to a meeting of the Committee of Management of the Australian Education Union (SA Branch) held on 26 June 2006.

These accounts and auditors reports were published on the AEU (SA Branch) website on 19 May 2006, and all members were advised of publication on the website by notice in the AEU Journal published on 24 May 2006, copies of which are provided free of charge to all members of the Australian Education Union (SA Branch.)

Yours sincerely


JACK MAJOR
Branch Secretary

Encl.

*concise report only
on website as at 5/7/06*

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)
OPERATING REPORT FOR THE YEAR ENDED 31ST DECEMBER 2005**

The Committee of the Management present their report on the Australian Education Union (SA Branch) for the year ended 31st December 2005.

The names of Executive members in office at any time during or since the end of the year are:

Andrew Gohl	Chris Waugh
Daniel Farmer	John (Jack) Major
Jacqueline Bone-George	Nicolas Cava
Patricia Cavanagh	Daniel Ellis
Stephen Errock	Alice Haberfield (Goodall)
Correna Haythorpe	Brenton Hudson
Fay Nightingale	Helen O'Connor
Gail Shepherdson	David Smith
Janice Webber	Michael Williss
Bronwen Young	Roger Zubrinich

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

The principal activity of the Union during the year was operating as a trade union in the Education industry within South Australia. The results of those activities are a deficit of \$246,720.

There has been no significant change in the Union's financial affairs during the year.

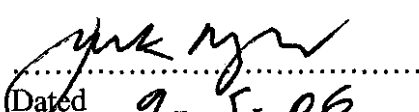
The number of members as at 31st December 2005 was 13,068.

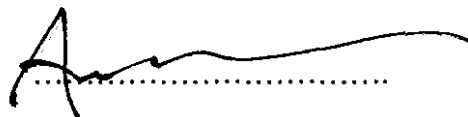
Members may resign from the Union in accordance with Rule 17 of the Federal Rules which reads:

"17 - Resignation from membership and termination of eligibility

- (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) where the member ceases to be eligible to become a member of the Union -
 - (i) on the day on which the notice is received at the office of the relevant Branch Secretary; or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is later; or
 - (b) in any other case -
 - (i) at the end of 2 weeks after the notice is received at the office of the relevant Branch Secretary; or
 - (ii) on the day specified in the notice;whichever is later.

The number of persons who as at 31st December 2005 were employees of the Branch measured on a full time equivalent basis was 38.54.


Dated 9.5.06



Signed in accordance with a resolution of the Executive Committee

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2005**

	Note	2005 \$	2004 \$
Revenues	2	5,621,937	5,451,144
Expenses			
Governance		633,751	623,392
Administration & Personnel		869,108	776,860
Operations		3,032,392	2,822,692
Other Member Operations		972,950	884,534
Property		360,456	340,275
	2	<u>5,868,657</u>	<u>5,447,753</u>
Net (Loss) / Profit	10(b)	<u>(246,720)</u>	<u>3,391</u>
Net (Loss) / Profit attributable to members of the Union		<u><u>(246,720)</u></u>	<u><u>3,391</u></u>

The attached notes are to be read in conjunction with these financial statements.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2005**

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 st January 2004	6,612,082	2,015,375	8,627,457
Profit attributable to members of the Union	3,391	-	3,391
Balance at 31 st December 2004	<u>6,615,473</u>	<u>2,015,375</u>	<u>8,630,848</u>
(Loss) attributable to members of the Union	(246,720)	-	(246,720)
Balance as 31 st December 2005	<u><u>6,368,753</u></u>	<u><u>2,015,375</u></u>	<u><u>8,384,128</u></u>

The attached notes are to be read in conjunction with these financial statements.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

BALANCE SHEET AS AT 31ST DECEMBER 2005

	Notes	2005 \$	2004 \$
CURRENT ASSETS			
Cash and cash equivalents	3	191,619	45,466
Receivables	4	104,974	94,857
Other current assets	5	56,792	113,135
Other Financial Assets	6	5,153,715	5,188,053
Total Current Assets		<u>5,507,100</u>	<u>5,441,511</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	4,671,174	4,692,374
Other Financial Assets	6	2	2
Total Non-Current Assets		<u>4,671,176</u>	<u>4,692,376</u>
TOTAL ASSETS		<u>10,178,276</u>	<u>10,133,887</u>
CURRENT LIABILITIES			
Trade and other Payables	8	838,569	569,322
Short – term Provisions	9	941,368	921,659
Total Current Liabilities		<u>1,779,937</u>	<u>1,490,981</u>
NON CURRENT LIABILITIES			
Long – term Provisions	9	14,211	12,058
Total Non Current Liabilities		<u>14,211</u>	<u>12,058</u>
TOTAL LIABILITIES		<u>1,794,148</u>	<u>1,503,039</u>
NET ASSETS		<u>8,384,128</u>	<u>8,630,848</u>
EQUITY			
Asset Revaluation Reserve	10(a)	2,015,375	2,015,375
Retained Earnings	10(b)	6,368,753	6,615,473
TOTAL EQUITY		<u>8,384,128</u>	<u>8,630,848</u>

The attached notes are to be read in conjunction with these financial statements.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2005**

	Note	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Subscriptions		5,830,274	5,544,561
Journal Subscriptions & Advertising		21,891	51,599
Payments to Suppliers and Employees		(5,654,895)	(5,310,229)
Rent & Room Hire		73,747	61,342
Interest Received		299,677	287,511
Other Income		40,642	40,020
Net GST Payable		(330,831)	(315,430)
Net Cash Provided by Operating Activities	11	280,505	359,374
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(199,417)	(210,848)
Proceeds From Sale of Equipment		30,726	13,230
Redemptions from/(Deposits to) Investments		35,307	(229,021)
Staff/Member Loans Issued		(10,246)	(4,910)
Payments Received on Staff/Member Loans		9,278	4,698
Net Cash Used in Investing Activities		(134,352)	(426,851)
Net Increase/(Decrease) in Cash Held		146,153	(67,477)
Cash at the Beginning of the Reporting Period		45,466	112,943
Cash at the End of the Reporting Period	11	191,619	45,466

The attached notes are to be read in conjunction with these financial statements.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2005

Note 1 Accounting policies

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act 1996. The financial statements have been prepared on the basis of historical costs. The accounting policies have been consistently applied unless otherwise stated.

The financial report covers Australian Education Union (South Australian Branch) which is a branch of a registered union under the Workplace Relations Act 1996 in Australia.

The following is a summary of the significant accounting policies adopted by the organisation in the preparation of the financial statements.

(a) Investments

Investments are brought to account at cost.

(b) Property, Plant and Equipment

Property, plant and equipment transferred from South Australian Institute of Teachers have been recorded at their net written down value as at 31st December 1996. Property, plant and equipment acquired since 1st January 1997, are brought to account at cost or at independent valuation, less, where applicable, any accumulated depreciation. The carrying amount of all property, plant and equipment is reviewed annually to ensure it is not in excess of the remaining service potential of these assets.

An independent valuation of the land and buildings was undertaken on 31st December 2003. The valuation was performed by Mr Paul C Tilley FAPI, AREI, CREI (Val), Certified Practising Valuer.

The depreciable amount of all fixed assets is depreciated over their useful life using the straight line and diminishing value methods.

The depreciation rates used for each class of asset are as follows:

Buildings	2.5%
Plant and Equipment	15% - 50%
Furniture & fittings	10% - 50%
Motor Vehicles	15% - 30%

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of the disposal and the proceeds of disposal, and is included in income in the year of disposal.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2005 (CONT.)**

Note 1 Accounting policies (cont.)

(c) Employee Benefits

Provision is made for the organisation's liability for employee entitlements arising from services rendered by employees to balance date. The provision recognises the employees previous service with the South Australian Institute of Teachers. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Provision for Long Service Leave for employees with more than seven years service has been disclosed as a current liability and the balance as non-current.

(d) Creditors and Accrued Expenses

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Branch as at 31 December 2005. Trade accounts are normally settled within 30 days.

(e) Subscriptions in advance

Subscriptions received are recognised as revenue in the period to which the subscriptions relate.

(f) Trade and Sundry Debtors

Trade and sundry debtors are normally settled within 30 days and are carried at amounts due. The collectibility of debts is assessed at balance date and specific provision is made for any doubtful debts.

(g) Adoption of Australian Equivalents to International Financial Reporting Standards ("AIFRS")

The Unions management, along with its auditors have assessed the significance of these changes resulting from the adoption of AIFRS.

The Committee of Management are of the opinion that the adoption of IFRS does not have any material impacts to the accounting policies currently applied.

The financial report of the Union complies with all AIFRS in the entirety.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2005 (CONT.)**

Note 2	Net Profit	2005	2004
		\$	\$
	The Net Profit includes the following items of Revenue and Expense.		
	REVENUE		
	Subscriptions	5,183,343	5,039,681
	Interest	306,008	294,567
	Rent	43,176	43,139
	Room Hire	25,569	11,672
	(Loss)/Profit on sale of Plant & Equipment	1,021	(1,275)
	Other Income	38,399	21,842
	Journal Advertising & Subscriptions	24,421	41,518
	TOTAL REVENUE	5,621,937	5,451,144
	EXPENSES		
	GOVERNANCE		
	Branch, Area & Divisional Council Meetings	65,560	65,821
	Sub-branch Administration Grants	8,999	7,793
	Committee Expenses & Communication to Members	49,991	60,183
	Executive Expenses	37,876	37,180
	Donations	569	1,693
	Entertainment & Travel	23,428	18,354
	Travel sustentation	721	698
	Executive Allowances	4,000	3,875
	Salaries and related costs of Elected Officers	442,607	427,795
	TOTAL GOVERNANCE	633,751	623,392

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2005 (CONT.)**

Note 2	Net Profit (cont.)	2005 \$	2004 \$
	ADMINISTRATION & PERSONNEL		
	Accountancy & Audit	10,327	12,475
	Bank Fees	50,000	48,351
	Doubtful Debts	310	(22)
	Entertainment & Travel	3,065	2,528
	Fringe Benefits Tax	5,520	3,799
	Insurance	4,353	4,816
	Internet Access & Website	64,026	8,731
	Legal Fees	1,775	539
	Machine Maintenance	13,702	14,970
	Postage	8,240	7,880
	Printing & Stationery	31,463	34,006
	Provision for Annual Leave	30,408	42,930
	Provision for Long Service Leave	(8,546)	70,219
	Recruitment & Training	29,397	22,494
	Travel sustentation	-	840
	Salaries and related costs	439,992	406,439
	Computer Expenses	99,828	34,546
	Sundry Expenses	8,744	3,079
	Telephone & Fax	76,504	58,240
	TOTAL ADMINISTRATION & PERSONNEL	869,108	776,860
	OPERATIONS		
	Campaign & Publicity:		
	Advertising & Other Campaign Expenses	199,050	287,862
	Media Consultancy & Monitoring	22,060	18,953
		221,110	306,815
	Membership Records:		
	Stationery/Resources	6,450	3,287
	Postage	15,070	16,518
	Salaries and related costs	138,068	133,927
		159,588	153,732

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2005 (CONT.)**

Note 2	Net Profit (cont.)	2005	2004
		\$	\$
	OPERATIONS (Cont.)		
	Resource Centre:		
	Purchases	26,871	23,253
	Salaries and Related Costs	159,624	156,017
		<u>186,495</u>	<u>179,270</u>
	Organisers:		
	Regional Office Expenses	14,877	13,456
	Motor Vehicle Expenses	58,019	54,999
	Depreciation - Motor Vehicles	51,661	48,141
	Salaries and Related Costs	1,380,551	1,253,814
	Travel & Sundry Expenses	51,616	50,219
		<u>1,556,724</u>	<u>1,420,629</u>
	Industrial:		
	Legal Expenses	25,485	1,787
	Salaries and Related Costs	366,531	305,180
	Travel sustentation	700	881
	Travel & Sundry Expenses	5,608	4,246
		<u>398,324</u>	<u>312,094</u>
	Communications:		
	AEU Journal - Printing	86,162	69,579
	- Delivery	25,608	39,182
	Newsletters - Printing	21,397	-
	- Delivery	21,939	-
	Travel & Accommodation	233	734
	Salaries and Related Costs	247,779	233,054
		<u>403,118</u>	<u>342,549</u>
	Women's Officer:		
	Operating Expenses	28,437	28,061
	Salaries and Related Costs	77,991	78,802
	Travel sustentation	605	740
		<u>107,033</u>	<u>107,603</u>
	TOTAL OPERATIONS	<u><u>3,032,392</u></u>	<u><u>2,822,692</u></u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2005 (CONT.)**

Note 2	Net Profit (cont.)	2005	2004
		\$	\$
	OTHER MEMBER OPERATIONS		
	Legal Defence	114,693	147,639
	Union Development	195,448	145,851
	Member Professional Development	56,076	67,986
	International Support	35,000	34,153
	A.E.U. Affiliation	366,821	297,124
	Other Affiliations	50,734	49,784
	National Committees & Conferences		
	Travel & other expenses	11,533	9,363
	Sustentation	6,600	6,435
	Salaries and Related Costs	136,045	125,274
	Travel sustentation		925
	TOTAL OTHER MEMBER OPERATIONS	<u>972,950</u>	<u>884,534</u>
	PROPERTY		
	Repairs & Maintenance	29,926	28,201
	Rates & Taxes	49,056	47,410
	Electricity	36,125	37,128
	Cleaning	34,872	34,872
	Insurance	15,242	16,433
	Sundry Property Expenses	15,372	14,034
	Depreciation		
	- Furniture & Fittings	2,160	9,210
	- Plant & Equipment	94,616	68,804
	- Buildings	42,475	42,475
	Salaries and Related Costs	40,612	41,708
	TOTAL PROPERTY	<u>360,456</u>	<u>340,275</u>
	TOTAL EXPENSES	<u><u>5,868,657</u></u>	<u><u>5,447,753</u></u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2005(CONT.)**

Note 3	Cash and cash equivalents	2005	2004
		\$	\$
	Petty Cash	500	500
	Cash at Bank	191,119	44,966
		<u>191,619</u>	<u>45,466</u>

Note 4	Receivables		
	Trade Debtors	9,249	1,572
	Provision for Doubtful Debts	(410)	(100)
		<u>8,839</u>	<u>1,472</u>
	Sundry Debtors	96,135	93,385
		<u>104,974</u>	<u>94,857</u>

Note the 2004 Trade Debtors includes \$388 in relation to an amount receivable from the Australian Education Union.

Note 5	Other Current Assets		
	Prepayments	<u>56,792</u>	<u>113,135</u>

Note 6	Other Financial Assets		
	Investments - Current		
	Satisfac Deposits	2,896,941	2,723,962
	Bank SA:		
	Short Term Money Market	279,808	444,808
	Bank Bills	1,970,193	2,013,479
	Staff Computer Loans	6,225	4,881
	Member Emergency Relief Loans	548	923
		<u>5,153,715</u>	<u>5,188,053</u>

	Investments - Non-current		
	Satisfac Credit Union Share		
	- at cost	<u>2</u>	<u>2</u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2005(CONT.)**

	2005	2004
	\$	\$
Note 7 Property, Plant & Equipment		
Land and Buildings		
An independent valuation of the land and buildings was undertaken on 31 st December 2003. The valuation was performed by Mr Paul C Tilley FAPI, AREI, CREI (Val), Certified Practising Valuer.		
Greenhill Road – at independent valuation	3,900,000	3,900,000
Accumulated Depreciation	(76,750)	(38,375)
	<u>3,823,250</u>	<u>3,861,625</u>
Porter Street – at independent valuation	380,000	380,000
Accumulated Depreciation	(8,200)	(4,100)
	<u>371,800</u>	<u>375,900</u>
Works of Art – at cost	36,300	36,300
	<u>36,300</u>	<u>36,300</u>
Plant & Equipment - at cost	510,364	537,613
Accumulated Depreciation	(299,645)	(345,817)
	<u>210,719</u>	<u>191,796</u>
Furniture and Fittings - at cost	131,609	131,921
Accumulated Depreciation	(114,862)	(116,096)
	<u>16,747</u>	<u>15,825</u>
Motor Vehicles - at cost	323,829	326,646
Accumulated Depreciation	(111,471)	(115,718)
	<u>212,358</u>	<u>210,928</u>
Total property, plant & equipment	<u><u>4,671,174</u></u>	<u><u>4,692,374</u></u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2005(CONT.)**

Note 7 Property, Plant & Equipment (cont.)

	<u>2005</u>						
	G/Hill Rd	Porter St	Work of Art	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Total
Opening WDV	3,861,625	375,900	36,300	191,796	15,825	210,928	4,692,374
Additions – cost	-	-	-	113,813	3,082	82,522	199,417
Disposals	-	-	-	(274)	-	(29,431)	(29,705)
Depreciation	(38,375)	(4,100)	-	(94,616)	(2,160)	(51,661)	(190,912)
Closing WDV	<u>3,823,250</u>	<u>371,800</u>	<u>36,300</u>	<u>210,719</u>	<u>16,747</u>	<u>212,358</u>	<u>4,671,174</u>
	<u>2004</u>						
	G/Hill Rd	Porter St	Work of Art	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Total
Opening WDV	3,900,000	380,000	36,300	133,698	23,619	181,953	4,655,570
Additions – cost	-	-	-	132,315	1,416	77,116	210,847
Disposals	-	-	-	(5,413)	-	-	(5,413)
Depreciation	(38,375)	(4,100)	-	(68,804)	(9,210)	(48,141)	(168,630)
Closing WDV	<u>3,861,625</u>	<u>375,900</u>	<u>36,300</u>	<u>191,796</u>	<u>15,825</u>	<u>210,928</u>	<u>4,692,374</u>

Note 8 Trade and other Payables

	<u>2005</u>	<u>2004</u>
	\$	\$
Accrued Expenses	516,390	363,499
Subscriptions in advance	322,179	205,823
	<u>838,569</u>	<u>569,322</u>

Note Accrued Expenses include \$34,377 (2004 \$12,589) in relation to salary and oncost obligations for Elected Officers and \$38,442 in relation to legal costs.

Note 9 Provisions

Current

Provision for Annual Leave

Elected Officers	65,366	65,937
Other employees	307,056	276,077
	<u>372,422</u>	<u>342,014</u>

Provision for Long Service Leave

Elected Officers	29,381	22,692
Other employees	489,565	506,953
	<u>518,946</u>	<u>529,645</u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2005(CONT.)**

	2005	2004
	\$	\$
Note 9		
Provisions (cont.)		
Provision for Sick Leave		
Elected Officers	1,500	1,500
Other employees	48,500	48,500
	<u>50,000</u>	<u>50,000</u>
	<u>941,368</u>	<u>921,659</u>
Non Current		
Provision for Long Service Leave		
Other employees	14,211	12,058
	<u>14,211</u>	<u>12,058</u>
Note 10		
(a) Asset Revaluation Reserve		
Balance at the beginning of the financial year	2,015,375	2,015,375
Revaluation increment on land and buildings	-	-
	<u>2,015,375</u>	<u>2,015,375</u>
(b) Retained Earnings		
Balance at the beginning of the financial year	6,615,473	6,612,082
Net (Loss) / Profit	(246,720)	3,391
	<u>6,368,753</u>	<u>6,615,473</u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2005 (CONT.)**

	2005	2004
	\$	\$
Note 11 Cash Flows		
a) Reconciliation of Net Profit to Net Cash Provided by Operating Activities		
Net (Loss)/Profit	(246,720)	3,391
Depreciation:		
- Motor Vehicles	51,661	48,141
- Furniture & Fittings	2,160	9,210
- Plant & Equipment	94,616	68,804
- Buildings	42,475	42,475
Gain on Sale of Equipment	(1,021)	(7,816)
Change in Assets and Liabilities:		
(Increase)/Decrease in Trade Debtors	(7,677)	27,062
Increase in Provision for Doubtful Debts	310	-
(Increase)/Decrease in Sundry Debtors	(2,750)	5,979
Decrease/(Increase) in Prepayments	56,343	(32,912)
Increase in Payables	269,246	81,891
Increase in Provision for Annual Leave	30,408	42,930
(Decrease)/Increase in Provision for Long Service Leave	(8,546)	70,219
Net Cash Provided by Operating Activities	<u>280,505</u>	<u>359,374</u>

b) Reconciliation of Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in banks. Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash on hand	500	500
Cash at bank	191,119	44,966
	<u>191,619</u>	<u>45,466</u>

c) Credit Stand-by Arrangements and Loan Facility

The Union has no credit stand-by arrangements or loan facilities in place.

d) Non-Cash Financing and Investments Activities

There were no non-cash financing and investing activities during the year.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2005 (CONT.)**

Note 11 Cash Flows (cont.)

e) Cash flows with other AEU branches

Cash received from:

AEU Federal Office	19,151	10,456
AEU (Victorian Branch)	-	1,144
Total cash received	<u>19,151</u>	<u>11,600</u>
Cash paid to:		
AEU Federal Office	440,467	394,197
AEU (Victorian Branch)	886	25
Total cash paid	<u>441,353</u>	<u>394,222</u>

Note 12 Auditor's Remuneration

Amounts received or due and receivable
by auditors for:

- auditing	11,475	11,475
- other services	-	-
	<u>11,475</u>	<u>11,475</u>

Note 13 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

The names of Executive members who have held office during the year are:

Andrew Gohl	Chris Waugh
Daniel Farmer	John (Jack) Major
Jacqueline Bone-George	Nicolas Cava
Patricia Cavanagh	Daniel Ellis
Stephen Errock	Alice Haberfield (Goodall)
Correna Haythorpe	Brenton Hudson
Fay Nightingale	Helen O'Connor
Gail Shepherdson	David Smith
Janice Webber	Michael Williss
Bronwen Young	Roger Zubrinich

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2005 (CONT.)**

Note 13 Related Party Transactions (cont.)

The aggregate amount of remuneration directly or indirectly received or receivable for the year ended 31st December 2005, whether as an Executive member or otherwise, from the reporting entity in connection with the management of the reporting entity, was \$370,752 (2004 \$349,862). The aggregate amounts paid during the year ended 31st December 2005 to a superannuation plan or other entity by the reporting entity in connection with the retirement of Executive members of the reporting entity was \$46,150 (2004 \$43,143).

Note 14 Segment information

The Union operates as a trade union in the Education industry within South Australia. The principal place of business is 163 Greenhill Road, Parkside, South Australia. The number of full time equivalent employees as at reporting date is 38.54

Note 15 Financial Instruments Disclosure

(a) Interest rate risk

The Australian Education Union (SA Branch) exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

	<u>2005</u>	Fixed interest Maturing in			
	Floating Interest rate	1 year or less	1 to 2 years	Non interest bearing	Total
Financial assets					
Cash on hand and in banks	191,119	-	-	500	191,619
Investments – other than public investments	279,808	3,400,002	1,467,132	-	5,146,942
Trade and other debtors	-	-	-	168,539	168,539
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	470,927	3,400,002	1,467,132	169,039	5,507,100
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Weighted average interest rate	4.18%	5.8%	6.5%		
Financial Liabilities					
Accrued Expenses	-	-	-	363,499	363,499
Subscriptions in advance	-	-	-	205,823	205,823
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	569,322	569,322
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2005 (CONT.)**

Note 15 Financial Instruments Disclosure (cont.)

	<u>2004</u>				Total
	Floating Interest rate	1 year or less	Fixed interest Maturing in 1 to 2 years	Non interest bearing	
Financial assets					
Cash on hand and in banks	44,966	-	-	500	45,466
Investments – other than public investments	444,808	3,361,218	1,376,223	-	5,182,249
Trade and other debtors	-	-	-	213,796	213,796
	489,774	3,361,218	1,376,223	214,296	5,441,511
Weighted average interest rate	4.18%	5.6%	6.5%		
Financial Liabilities					
Accrued Expenses	-	-	-	363,499	363,499
Subscriptions in advance	-	-	-	205,823	205,823
	-	-	-	569,322	569,322

(b) Credit Risk Exposure

Credit risk on financial assets represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on financial assets, excluding investments, of the Australian Education Union (SA Branch) which have been recognised in the balance sheet is the carrying amount, net of any provision for doubtful debts.

(c) Net Fair Values of Financial Assets and Financial Liabilities

Net fair value of financial assets and financial liabilities are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers.

The carrying amounts of cash on hand and in banks, investments, trade and other debtors, prepayments, accrued expenses and subscriptions in advance are not materially different from their net fair values.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

PRESCRIBED INFORMATION NOTICE

In accordance with the requirements of the Workplace Relations Act, 1996 the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Schedule 1B – Registration and Accountability of Organisations, which read as follows:

Sub-section 272(1) A member of an 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.

Sub-section 272(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.

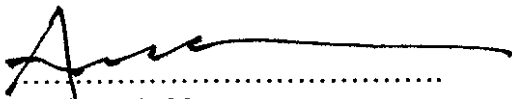
Sub-section 272(3) A reporting unit must comply with an application made under subsection (1)

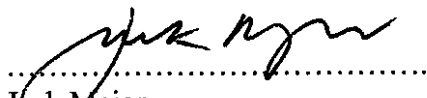
AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

COMMITTEE OF MANAGEMENT STATEMENT

We, Andrew Gohl and Jack Major, being two members of the Committee of the Management of Australian Education Union (SA Branch), do state on behalf of the Committee of Management and in accordance with a resolution passed by the Committee on 9th May 2005, that in the opinion of the Committee of Management:

- (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 Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Australian Education Union (SA Branch) 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 year ended 31 December 2005 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 RAO Schedule and the RAO Regulations; and
 - (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; and
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.


.....
Andrew Gohl


.....
Jack Major

Dated 9-5-06



Edwards Marshall

THE AUSTRALIAN EDUCATION UNION (SA BRANCH)
INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF THE AUSTRALIAN EDUCATION UNION (SA BRANCH)

SCOPE

The financial report and the Committee of Management's responsibility

The financial report comprises the balance sheet, income statement, cash flow statement, statement of changes in equity, accompanying notes to the financial statements, and the Committee of Management's statement of the Union ("Australian Education Union (SA Branch)"), for the year ended 31 December 2005.

The Committee of Management of the Union is responsible for the preparation and fair presentation of the financial report in accordance with 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 conducted an independent audit in order to express an opinion to the members of the Union. 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 judgement, 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 the Workplace Relations Act, 1996, a view which is consistent with our understanding of the Union's financial position, and of its performance as represented by the results of its operations and its cash flows.

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 report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Committee of Management.

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.

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

AUDIT OPINION

In our opinion, the financial report presents fairly in accordance with
 (a) applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia;
 (b) the Workplace Relations Act, 1996; and
 (c) any other requirements imposed by the Reporting Guidelines made under section 255 of Schedule 1B (the RAO Schedule) of the Workplace Relations Act 1996, or Part 3 of Chapter 8 of the RAO Schedule,

the financial position of the Australian Education Union (SA Branch) as at 31 December 2005, and its financial performance and its cash flows for the year then ended.

We have obtained all of the information and explanations required from the Union.

Edwards Marshall
 Edwards Marshall
 Chartered Accountants

Jamie Dreckow
 Chartered Accountant - (Partner)

Adelaide
 South Australia
 Dated 9/15/2006

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 Jonathon W Sando FCA
 Trevor J Spratt FCA
 Steven M Wild FCA
 Noel W Clifford FCA
 Jamie T Dreckow CA
 Geoffrey R Kay FCA
 Benjamin L T Miels CA
 Angelo R Piantadosi FCA
 Grantley W Stevens CA

Senior Employees

Paul A Dutton CA
 Paul Feltrin CA
 Belinda C Goedecke FCA
 Karen Gregor CA
 Leanne Thomas CA
 Carly Thornton CA
 Nicholas K Wilkins FCA

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)
OPERATING REPORT FOR THE YEAR ENDED 31ST DECEMBER 2005**

The Committee of the Management present their report on the Australian Education Union (SA Branch) for the year ended 31st December 2005.

The names of Executive members in office at any time during or since the end of the year are:

Andrew Gohl	Chris Waugh
Daniel Farmer	John (Jack) Major
Jacqueline Bone-George	Nicolas Cava
Patricia Cavanagh	Daniel Ellis
Stephen Errock	Alice Haberfield (Goodall)
Correna Haythorpe	Brenton Hudson
Fay Nightingale	Helen O'Connor
Gail Shepherdson	David Smith
Janice Webber	Michael Williss
Bronwen Young	Roger Zubrinich

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

The principal activity of the Union during the year was operating as a trade union in the Education industry within South Australia. The results of those activities are a deficit of \$246,720.

There has been no significant change in the Union's financial affairs during the year.

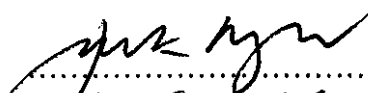
The number of members as at 31st December 2005 was 13,068.

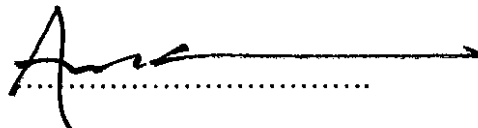
Members may resign from the Union in accordance with Rule 17 of the Federal Rules which reads:

"17 - Resignation from membership and termination of eligibility

- (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) where the member ceases to be eligible to become a member of the Union -
 - (i) on the day on which the notice is received at the office of the relevant Branch Secretary; or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is later; or
 - (b) in any other case -
 - (i) at the end of 2 weeks after the notice is received at the office of the relevant Branch Secretary; or
 - (ii) on the day specified in the notice;whichever is later.

The number of persons who as at 31st December 2005 were employees of the Branch measured on a full time equivalent basis was 38.54.


.....
Dated 7.5.06


.....

Signed in accordance with a resolution of the Executive Committee

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2005**

	2005	2004
	\$	\$
Revenues	5,621,937	5,451,144
Expenses		
Governance	633,751	623,392
Administration & Personnel	869,108	776,860
Operations	3,032,392	2,822,692
Other Member Operations	972,950	884,534
Property	360,456	340,275
	<u>5,868,657</u>	<u>5,447,753</u>
Net (Loss) / Profit	<u>(246,720)</u>	<u>3,391</u>
Net (Loss) / Profit attributable to members of the Union	<u><u>(246,720)</u></u>	<u><u>3,391</u></u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2005**

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 st January 2004	6,612,082	2,015,375	8,627,457
Profit attributable to members of the Union	3,391	-	3,391
Balance at 31 st December 2004	<u>6,615,473</u>	<u>2,015,375</u>	<u>8,630,848</u>
(Loss) attributable to members of the Union	(246,720)	-	(246,720)
Balance as 31 st December 2005	<u><u>6,368,753</u></u>	<u><u>2,015,375</u></u>	<u><u>8,384,128</u></u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

BALANCE SHEET AS AT 31ST DECEMBER 2005

	2005	2004
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	191,619	45,466
Receivables	104,974	94,857
Other current assets	56,792	113,135
Other Financial Assets	5,153,715	5,188,053
Total Current Assets	<u>5,507,100</u>	<u>5,441,511</u>
NON-CURRENT ASSETS		
Property, Plant and Equipment	4,671,174	4,692,374
Other Financial Assets	2	2
Total Non-Current Assets	<u>4,671,176</u>	<u>4,692,376</u>
TOTAL ASSETS	<u>10,178,276</u>	<u>10,133,887</u>
CURRENT LIABILITIES		
Trade and other Payables	838,569	569,322
Short – term Provisions	941,368	921,659
Total Current Liabilities	<u>1,779,937</u>	<u>1,490,981</u>
NON CURRENT LIABILITIES		
Long – term Provisions	14,211	12,058
Total Non Current Liabilities	<u>14,211</u>	<u>12,058</u>
TOTAL LIABILITIES	<u>1,794,148</u>	<u>1,503,039</u>
NET ASSETS	<u>8,384,128</u>	<u>8,630,848</u>
EQUITY		
Asset Revaluation Reserve	2,015,375	2,015,375
Retained Profits	6,368,753	6,615,473
TOTAL EQUITY	<u>8,384,128</u>	<u>8,630,848</u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**CASH FLOWS STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2005**

	2005	2004
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Subscriptions	5,830,274	5,544,561
Journal Subscriptions & Advertising	21,891	51,599
Payments to Suppliers and Employees	(5,654,895)	(5,310,229)
Rent & Room Hire	73,747	61,342
Interest Received	299,677	287,511
Other Income	40,642	40,020
Net GST Payable	(330,831)	(315,430)
Net Cash Provided by Operating Activities	<u>280,505</u>	<u>359,374</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Property, Plant and Equipment	(199,417)	(210,848)
Proceeds From Sale of Equipment	30,726	13,230
Redemptions from/(Deposits to) Investments	35,307	(229,021)
Staff/Member Loans Issued	(10,246)	(4,910)
Payments Received on Staff/Member Loans	9,278	4,698
Net Cash Used in Investing Activities	<u>(134,352)</u>	<u>(426,851)</u>
Net Increase/(Decrease) in Cash Held	146,153	(67,477)
Cash at the Beginning of the Reporting Period	45,466	112,943
Cash at the End of the Reporting Period	<u><u>191,619</u></u>	<u><u>45,466</u></u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2005**

The Financial Statements of the Australian Education Union (South Australian Branch) have been audited in accordance with the provisions of the Workplace Relations Act 1996 (the Act), and this concise report is provided for members in accordance with the Act.

This concise financial report of the Union for the year ended 31st December 2005 has been derived from the full report and cannot be expected to provide as full an understanding of the financial performance, financial position and financial and investing activities of the reporting unit as the full report. A copy of the full report and the auditor's report will be sent to any member, free of charge, upon request.

The principal factors affecting the financial position of the union during the reporting period include increased costs arising from enterprise bargaining negotiations and changes to union publications and the delay in passing on increases in membership subscriptions until new salary rates were paid by employers.

Certificates required to be given under the Act by the Accounting Officer and the Branch Executive have been completed in accordance with the provisions of the Act and contain no qualifications.

In accordance with the requirements of the Act, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Schedule 1B – Registration and Accountability of Organisations, which read as follows:

Sub-section 272(1) A member of an 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.

Sub-section 272(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.

Sub-section 272(3) A reporting unit must comply with an application made under subsection (1)



JACK MAJOR
Branch Secretary

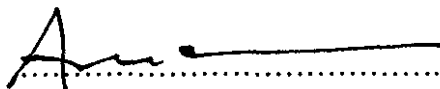
Dated: 9.5.06

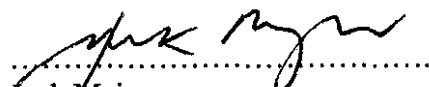
AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

COMMITTEE OF MANAGEMENT STATEMENT

We, Andrew Gohl and Jack Major, being two members of the Committee of the Management of Australian Education Union (SA Branch), do state on behalf of the Committee of Management and in accordance with a resolution passed by the Committee on 8th May 2006, that in the opinion of the Committee of Management:

- (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 Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Australian Education Union (SA Branch) 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 year ended 31 December 2005 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 RAO Schedule and the RAO Regulations; and
 - (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; and
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.


.....
Andrew Gohl


.....
Jack Major

Dated 9-5-06



EdwardsMarshall

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DX 240 Adelaide
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**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF THE AUSTRALIAN EDUCATION UNION (SA BRANCH)**

SCOPE

We have audited the concise financial report of the Australian Education Union (SA Branch) for the year ended 31 December 2005 comprising the balance sheet, Income statement, cash flows statement and the statement of changes in equity in accordance with Australian Auditing Standards.

AUDIT OPINION

In our opinion,

- (a) the information reported in the concise financial report is consistent with the annual statutory financial report from which it is derived and upon which we expressed an unqualified audit opinion in our report to the members dated 9 May 2006;
- (b) the concise financial report is presented fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia;
- (c) the general purpose financial report from which the concise report is derived is presented fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia, the Workplace Relations Act 1996, the Reporting Guidelines and any other requirements of Chapter 8, Part 3 of the RAO Schedule.

The audit report on the full annual statutory financial report did not contain any particulars of any deficiency or shortcomings as referred to in the Workplace Relations Act 1996.

For a better understanding of the scope of our audit, this report should be read in conjunction with our audit report on the annual statutory financial report.

Edwards Marshall
Chartered Accountants

(Partner) *[Signature]*

Adelaide
South Australia

Dated 9/5/06

Partners

Brenton W Ellery FCA
Brian T Morris FCA
Hugh L McPharlin FCA
Jonathon W Sando FCA
Trevor J Spratt FCA
Steven M Wild FCA
Noel W Clifford FCA
Jamie T Dreckow CA
Geoffrey R Kay FCA
Benjamin L T Miels CA
Angelo R Piantadosi FCA
Grantley W Stevens CA

Senior Employees

Paul A Dutton CA
Paul Feltrin CA
Belinda C Goedecke FCA
Karen Gregor CA
Leanne Thomas CA
Carly Thornton CA
Nicholas K Wilkins FCA



Australian Government

Australian Industrial Registry

Level 8, Terrace Towers
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Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Jack Major
Branch Secretary
Australian Education Union
South Australia Branch
163 Greenhill Road
Parkside South Australia 5063

Dear Mr Major

**Re: Schedule 1 of the Workplace Relations Act (The RAO Schedule)
Financial reports for year ended 31 December 2005 – FR2005/673**

I have received the financial reports for your organisation for the year ended 31 December 2005. The documents were lodged in the Australian Industrial Registry on 3 July 2006.

The documents have been filed.

There are however 2 minor points I need to make in regard to the Operating Report and ask that you please give consideration to these when preparing the next one.

Firstly, the Operating Report lists persons who were members of the Committee Of Management “..at any time during or since the end of the year..”. As it went on to say that listed members ..”have been in office since the start of the financial year to the date of this report unless otherwise stated..”, it would be clear if any had only become members since the end of the last financial year. Notwithstanding this fact, the focus of the reporting requirement in RAO Regulation 159(c) is only on the time during the reporting period and not beyond that time. I would therefore suggest that in your next Operating Report the words “or since the end of” are excluded from the sentence preceding the list of names and therefore the clarification re tenure in office following the list of names is varied to read “Committee members have been in office throughout the financial year unless otherwise indicated”.

(b) Secondly, Paragraph 254(2)(d) of the RAO Schedule prescribes that the Operating Report must..”give details (including details of the position held) of any officer or member of the reporting unit who is:

- (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 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,..”

The Operating Report made no reference to this area of superannuation. If no officer or member of the Union holds any such position in relation to a superannuation fund, then we strongly recommend that the operating report confirms this to be the case to avoid any confusion or ambiguity.

I have forwarded a copy of this letter to the Union’s auditor for his information.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'm.ellis', written in a cursive style.

Michael Ellis
Deputy Industrial Registrar

11 September 2006

cc Mr Jamie Dreckow Partner
Edwards Marshall
Chartered Accountants