



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7764
Fax: (03) 9655 0410
Email: kevin.donnellan@air.gov.au

Mr Jack Major
Branch Secretary
Australian Education Union
South Australian Branch

email: aeusa@aeusa.asn.au

Dear Mr Major

**Re: Schedule 1 of the Workplace Relations Act 1996 (Schedule 1)
Financial Report for Australian Education Union (South Australian Branch) for
year ended 31 December 2006 – FR2006/640**

I acknowledge receipt of the financial report and concise report of the Australian Education Union (South Australian Branch) for the year ended 31 December 2006. The documents were lodged with the Registry on 29 June 2007.

The financial report and concise report have now been filed.

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

The following comments are made in relation to the full report and also the concise report.

Operating Report

Membership of Committee of Management

The operating report is required to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position - refer regulation 159(c) of the RAO Regulations.

The operating report should have provided the positions which members of the committee of management held during the reporting period.

Results of principal activities

I refer to the Operating Report, in particular to the “results of operation”. I note that s254(2)(a) of Schedule 1 requires the operating report to include a review of the principal activities of the reporting entity, the results of those activities and any significant changes in the nature of those activities.

The “results of operation” requirement contemplates reference in the operating report to results directly related to the principal activities as opposed to the reporting entities financial result, particularly as measured in dollar ‘surplus’ or ‘loss’ terms. Although this may not be stated explicitly in the text of the subsection, I think it is reasonable to infer this is what the legislators had in mind given that the subsection is referring primarily to the principal activities and

secondly, the actual financial outcome is elaborated elsewhere in the financial documents, such as the Balance Sheet and/or the Profit and Loss statement.

Right of members to resign

Subsection 254(2)(c) requires the operating report to “give details” of the right of members to resign from the reporting unit under section 174. The requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision.

Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. It would appear in this case that, not all of the resignation rule was reproduced.

Consistency with other reporting units

Paragraph 25 of the Industrial Registrar’s Reporting guidelines, as made under section 255 of Schedule 1 states:

“The committee of management statement must include declarations by the committee of management as to whether in the opinion of the committee of management:

... .

(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;”

The Committee of Management’s Statement has repeated the wording as provided in paragraph 25(e)(iv). Such statement should indicate whether or not the financial records have been kept in a consistent manner to each of the other reporting units of the organisation.

I suggest, if the records have been kept in a consistent manner to each of the organisation’s reporting units, that the words “where the organisation consists of 2 or more reporting units” be deleted.

Donations, grants or loans

I have noted that donations totalling \$1,384 were made in 2006. Under subsection 237(1) of the RAO Schedule there are certain steps that need to be taken if an individual donation exceeds \$1000.

As no subsection 237(1) statement has been lodged we assume that no single donation exceeded \$1000. Should this not be the case, please immediately advise the Registry of the details and ensure that there is compliance with the reporting requirements of section 237, other than with respect to the required timeframe.

Audit Report

It is not clear from the Report whether or not the Auditor is an approved Auditor. In this regard I draw your attention to the definitions of approved auditor in regulation 4 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003. In all likelihood the Auditor is such a person however, it is our preference that this is made explicit in the Report. I recommend you draw this comment to the attention of your Auditors.

Schedule 1

Please note that references to Schedule 1B should properly refer to Schedule 1.

The following comment is made in relation to the concise report.

Committee of Management Resolution

The concise report attached to your financial report is noted. As you know, the reporting unit can discharge its obligation to supply a full copy of its financial documents to its members with a concise report of the financial statements for the relevant financial year.

Section 265(2) states that a concise report may only be provided if, under the Branch's rules, the Branch's committee of management has resolved that a concise report is to be provided.

You are therefore requested to state, in any future concise report, that it is being provided to members in accordance with a resolution of the Branch's committee of management and to include the date of that resolution.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

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

Kevin Donnellan

Statutory Services Branch
15 October 2007



Australian Education Union

SA Branch | 163 Greenhill Road, Parkside, SA 5063
phone: [08] 8272 1399 email: aeusa@aeusa.asn.au
fax: [08] 8373 1254 website: www.aeusa.asn.au

FR 2006/640

Your reference:
Our reference:

26 June 2007

Industrial Registrar
Australian Industrial Registry
GPO BOX 1994
MELBOURNE VICTORIA 3001

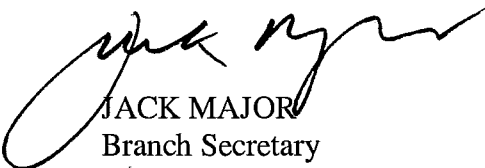
Dear Sir

Re: Australian Education Union (SA Branch) Financial Reports

I certify that the enclosed copies of the General Purpose Financial Report, Committee of Management Statement, Operating Report and Auditor's Report for the financial year 1 January 2006 to 31 December 2006, 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 25 June 2007.

These accounts and auditors reports were published on the AEU (SA Branch) website on 16 May 2007, and all members were advised of publication on the website by notice in the AEU Journal published on 23 May 2007, 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.



**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)
OPERATING REPORT FOR THE YEAR ENDED 31ST DECEMBER 2006**

The Committee of the Management present their report on the Australian Education Union (SA Branch) for the year ended 31st December 2006.

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

Andrew Gohl	Janice Webber	Marcus Knill
John (Jack) Major	Richard Baxter	Jacqueline Bone-George
Nicolas Cava	Daniel Ellis	Stephen Errock
Alice Haberfield	John Hunter	Pam Kent
Julie Masters	Clare McCarty	Helen O'Connor
David Smith	Katrina Spencer	Christine Waugh
Michael Williss	Bronwen Young	Roger Zubrinich

Committee members have been in office throughout the financial year unless otherwise stated.

No officer or member of the Branch 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;

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 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 surplus of \$294,980.

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

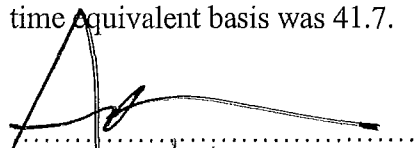
The number of members as at 31st December 2006 was 13,208.

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

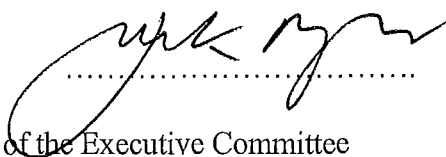
"17 - Resignation from membership and termination of eligibility

- (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 2006 were employees of the Branch measured on a full time equivalent basis was 41.7.


Dated 14/5/07

Signed in accordance with a resolution of the Executive Committee



AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2006**

	Note	2006 \$	2005 \$
Revenues	2	6,213,621	5,621,937
Expenses			
Governance		647,058	633,751
Administration & Personnel		877,288	869,108
Operations		2,939,331	3,032,392
Other Member Operations		1,100,623	972,950
Property		354,341	360,456
	2	<u>5,918,641</u>	<u>5,868,657</u>
Net (Loss) / Profit		<u>294,980</u>	<u>(246,720)</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 2006**

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 st January 2005	6,615,473	2,015,375	8,630,848
(Loss) attributable to members of the Union	(246,720)	-	(246,720)
Balance at 31 st December 2005	<u>6,368,753</u>	<u>2,015,375</u>	<u>8,384,128</u>
Profit attributable to members of the Union	294,980	-	294,980
Balance as 31 st December 2006	<u><u>6,663,733</u></u>	<u><u>2,015,375</u></u>	<u><u>8,679,108</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 2006

	Notes	2006 \$	2005 \$
CURRENT ASSETS			
Cash and cash equivalents	3	225,132	191,619
Receivables	4	123,621	104,974
Other current assets	5	54,092	56,792
Other Financial Assets	6	5,418,635	5,153,715
Total Current Assets		<u>5,821,480</u>	<u>5,507,100</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	4,712,435	4,671,174
Financial Assets	6	2	2
Total Non-Current Assets		<u>4,712,437</u>	<u>4,671,176</u>
TOTAL ASSETS		<u>10,533,917</u>	<u>10,178,276</u>
CURRENT LIABILITIES			
Trade and other Payables	8	777,815	838,569
Short – term Provisions	9	1,061,395	941,368
Total Current Liabilities		<u>1,839,210</u>	<u>1,779,937</u>
NON CURRENT LIABILITIES			
Long – term Provisions	9	15,599	14,211
Total Non Current Liabilities		<u>15,599</u>	<u>14,211</u>
TOTAL LIABILITIES		<u>1,854,809</u>	<u>1,794,148</u>
NET ASSETS		<u>8,679,108</u>	<u>8,384,128</u>
EQUITY			
Asset Revaluation Reserve		2,015,375	2,015,375
Retained Earnings		6,663,733	6,368,753
TOTAL EQUITY		<u>8,679,108</u>	<u>8,384,128</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 2006**

	Note	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Subscriptions		6,423,008	5,830,274
Journal Subscriptions & Advertising		44,854	21,891
Payments to Suppliers and Employees		(5,985,204)	(5,654,895)
Rent & Room Hire		69,516	73,747
Interest Received		303,527	299,677
Other Income		20,508	40,642
Net GST Payable		(355,653)	(330,831)
Net Cash Provided by Operating Activities	10	520,556	280,505
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(261,073)	(199,417)
Proceeds From Sale of Equipment		38,950	30,726
Redemptions from/(Deposits to) Investments		(266,768)	35,307
Staff/Member Loans Issued		(5,202)	(10,246)
Payments Received on Staff/Member Loans		7,050	9,278
Net Cash Used in Investing Activities		(487,043)	(134,352)
Net Increase/(Decrease) in Cash Held		33,513	146,153
Cash at the Beginning of the Reporting Period		191,619	45,466
Cash at the End of the Reporting Period	10	225,132	191,619

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 2006**

Note 1 Accounting policies

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, 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 complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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 and impairment losses. 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%

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006 (CONT.)**

Note 1 Accounting policies (cont.)

(b) Property, Plant and Equipment (cont.)

The assets residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An assets carrying value is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

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.

(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 2006. Trade accounts are normally settled within 30 days.

(e) 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.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006 (CONT.)**

(f) Goods and Services Tax (GST)

Revenue, 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(g) Critical Accounting Estimates and Judgements

The committee members evaluate estimates and judgements incorporated into the financial report 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 branch.

Key Estimates – Impairment

The branch assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the assets is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(h) Impairment of Assets

At each reporting date, the branch reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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

(i) 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 borrowings in current liabilities on the balance sheet.

(j) Comparative Figures

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

(k) Revenue

Subscription revenue is recognised as revenue in the period to which the subscription relates. To the extent that subscriptions are received for the following year, these are treated as subscriptions in advance at balance date.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006 (CONT.)**

Note 2	Net Profit	2006	2005
		\$	\$
	The Net Profit includes the following items of Revenue and Expense.		
	REVENUE		
	Subscriptions	5,772,076	5,183,343
	Interest	328,666	306,008
	Rent	41,425	43,176
	Room Hire	24,125	25,569
	(Loss)/Profit on sale of Plant & Equipment	(5,973)	1,021
	Other Income	16,919	38,399
	Journal Advertising & Subscriptions	36,383	24,421
	TOTAL REVENUE	6,213,621	5,621,937
		<hr/>	<hr/>
	EXPENSES		
	GOVERNANCE		
	Branch, Area & Divisional Council Meetings	70,840	65,560
	Sub-branch Administration Grants	8,372	8,999
	Committee Expenses & Communication to Members	36,141	49,991
	Executive Expenses	26,357	37,876
	Donations	1,384	569
	Entertainment & Travel	18,725	23,428
	Travel sustentation	624	721
	Executive Allowances	3,522	4,000
	Salaries and related costs of Elected Officers	481,093	442,607
	TOTAL GOVERNANCE	647,058	633,751
		<hr/>	<hr/>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006 (CONT.)**

Note 2	Net Profit (cont.)	2006	2005
		\$	\$
	ADMINISTRATION & PERSONNEL		
	Accountancy & Audit	11,800	10,327
	Bank Fees	54,002	50,000
	Doubtful Debts	373	310
	Entertainment & Travel	1,931	3,065
	Fringe Benefits Tax	4,437	5,520
	Insurance	3,824	4,353
	Internet Access & Website	16,880	64,026
	Legal Fees	-	1,775
	Machine Maintenance	13,356	13,702
	Postage	8,070	8,240
	Printing & Stationery	22,188	31,463
	Provision for Annual Leave	46,637	30,408
	Provision for Long Service Leave	74,778	(8,546)
	Recruitment & Training	27,487	29,397
	Travel sustentation	-	-
	Salaries and related costs	484,121	439,992
	Computer Expenses	38,226	99,828
	Sundry Expenses	4,143	8,744
	Telephone & Fax	65,035	76,504
		<hr/>	<hr/>
	TOTAL ADMINISTRATION & PERSONNEL	877,288	869,108
		<hr/>	<hr/>
	OPERATIONS		
	Campaign & Publicity:		
	Advertising & Other Campaign Expenses	154,342	199,050
	Media Consultancy & Monitoring	22,150	22,060
		<hr/>	<hr/>
		176,492	221,110
	Membership Records:		
	Stationery/Resources	15,111	6,450
	Postage	13,138	15,070
	Salaries and related costs	147,164	138,068
		<hr/>	<hr/>
		175,413	159,588

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006 (CONT.)**

Note 2	Net Profit (cont.)	2006	2005
		\$	\$
	OPERATIONS (Cont.)		
	Resource Centre:		
	Purchases	20,284	26,871
	Salaries and Related Costs	171,228	159,624
		<u>191,512</u>	<u>186,495</u>
	Organisers:		
	Regional Office Expenses	14,642	14,877
	Motor Vehicle Expenses	58,736	58,019
	Depreciation - Motor Vehicles	40,664	51,661
	Salaries and Related Costs	1,430,725	1,380,551
	Travel & Sundry Expenses	49,568	51,616
		<u>1,594,335</u>	<u>1,556,724</u>
	Industrial:		
	Legal Expenses	2,744	25,485
	Salaries and Related Costs	320,196	366,531
	Travel sustentation	1,300	700
	Travel & Sundry Expenses	5,015	5,608
		<u>329,255</u>	<u>398,324</u>
	Communications:		
	AEU Journal - Printing	100,777	86,162
	- Delivery	34,018	25,608
	Newsletters - Printing	7,809	21,397
	- Delivery	7,473	21,939
	Travel & Accommodation	845	233
	Salaries and Related Costs	208,124	247,779
		<u>359,046</u>	<u>403,118</u>
	Women's Officer:		
	Operating Expenses	31,948	28,437
	Salaries and Related Costs	81,330	77,991
	Travel sustentation	-	605
		<u>113,278</u>	<u>107,033</u>
	TOTAL OPERATIONS	<u><u>2,939,331</u></u>	<u><u>3,032,392</u></u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006 (CONT.)**

Note 2	Net Profit (cont.)	2006	2005
		\$	\$
	OTHER MEMBER OPERATIONS		
	Legal Defence	158,323	114,693
	Union Development	168,971	195,448
	Member Professional Development	86,028	56,076
	International Support	38,000	35,000
	A.E.U. Affiliation	428,297	366,821
	Other Affiliations	52,517	50,734
	National Committees & Conferences		
	Travel & other expenses	8,146	11,533
	Sustentation	8,424	6,600
	Salaries and Related Costs	150,800	136,045
	Travel and accommodation	767	-
	Travel sustentation	350	-
	TOTAL OTHER MEMBER OPERATIONS	<u>1,100,623</u>	<u>972,950</u>
	PROPERTY		
	Repairs & Maintenance	23,824	29,926
	Rates & Taxes	49,897	49,056
	Electricity	33,701	36,125
	Cleaning	38,359	34,872
	Insurance	13,776	15,242
	Sundry Property Expenses	18,182	15,372
	Depreciation		
	- Furniture & Fittings	2,515	2,160
	- Plant & Equipment	89,235	94,616
	- Buildings	42,475	42,475
	Salaries and Related Costs	42,377	40,612
	TOTAL PROPERTY	<u>354,341</u>	<u>360,456</u>
	TOTAL EXPENSES	<u><u>5,918,641</u></u>	<u><u>5,868,657</u></u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006(CONT.)**

Note 3	Cash and cash equivalents	2006	2005
		\$	\$
	Petty Cash	500	500
	Cash at Bank	224,632	191,119
		<u>225,132</u>	<u>191,619</u>
		<u><u>225,132</u></u>	<u><u>191,619</u></u>
Note 4	Receivables		
	Trade Debtors	5,486	9,249
	Provision for Doubtful Debts	(410)	(410)
		<u>5,076</u>	<u>8,839</u>
	Sundry Debtors	118,545	96,135
		<u>123,621</u>	<u>104,974</u>
		<u><u>123,621</u></u>	<u><u>104,974</u></u>
<p>Note that in both 2006 and 2005 there were no amounts in Trade Debtors in relation to an amount receivable from the Australian Education Union.</p>			
Note 5	Other Current Assets		
	Prepayments	54,092	56,792
		<u>54,092</u>	<u>56,792</u>
		<u><u>54,092</u></u>	<u><u>56,792</u></u>
Note 6	Other Financial Assets		
	Investments - Current		
	Satisfac Deposits	3,582,403	2,896,941
	Bank SA:		
	Short Term Money Market	302,763	279,808
	Bank Bills	1,528,544	1,970,193
	Staff Computer Loans	4,925	6,225
	Member Emergency Relief Loans	-	548
		<u>5,418,635</u>	<u>5,153,715</u>
		<u><u>5,418,635</u></u>	<u><u>5,153,715</u></u>
	Investments - Non-current		
	Satisfac Credit Union Share		
	- at cost	2	2
		<u>2</u>	<u>2</u>
		<u><u>2</u></u>	<u><u>2</u></u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006(CONT.)**

	2006	2005
	\$	\$
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	(115,125)	(76,750)
	<u>3,784,875</u>	<u>3,823,250</u>
Porter Street – at independent valuation	380,000	380,000
Accumulated Depreciation	(12,300)	(8,200)
	<u>367,700</u>	<u>371,800</u>
Works of Art – at cost	36,300	36,300
	<u>36,300</u>	<u>36,300</u>
Plant & Equipment - at cost	674,791	510,364
Accumulated Depreciation	(387,535)	(299,645)
	<u>287,256</u>	<u>210,719</u>
Furniture and Fittings - at cost	133,308	131,609
Accumulated Depreciation	(117,378)	(114,862)
	<u>15,930</u>	<u>16,747</u>
Motor Vehicles - at cost	305,400	323,829
Accumulated Depreciation	(85,026)	(111,471)
	<u>220,374</u>	<u>212,358</u>
Total property, plant & equipment	<u><u>4,712,435</u></u>	<u><u>4,671,174</u></u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006(CONT.)**

Note 7 Property, Plant & Equipment (cont.)

	<u>2006</u>						
	G/Hill Rd	Porter St	Work of Art	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Total
Opening WDV	3,823,250	371,800	36,300	210,719	16,747	212,358	4,671,174
Additions – cost	-	-	-	167,295	1,698	92,080	261,073
Disposals	-	-	-	(1,523)	-	(43,400)	(44,923)
Depreciation	(38,375)	(4,100)	-	(89,235)	(2,515)	(40,664)	(174,889)
Closing WDV	<u>3,784,875</u>	<u>367,700</u>	<u>36,300</u>	<u>287,256</u>	<u>15,930</u>	<u>220,374</u>	<u>4,712,435</u>

	<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>

Note 8 Trade and other Payables

	2006	2005
	\$	\$
Accrued Expenses	388,720	516,390
Subscriptions in advance	389,095	322,179
	<u>777,815</u>	<u>838,569</u>

Note Accrued Expenses include \$19,488 (2005 \$34,377) in relation to salary and oncost obligations for Elected Officers and \$949 (2005 \$38,442) in relation to legal costs.

Note 9 Provisions

Current

Provision for Annual Leave		
Elected Officers	83,107	65,366
Other employees	335,952	307,056
	<u>419,059</u>	<u>372,422</u>
Provision for Long Service Leave		
Elected Officers	36,000	29,381
Other employees	556,336	489,565
	<u>592,336</u>	<u>518,946</u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006(CONT.)**

	2006	2005
	\$	\$
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>1,061,395</u>	<u>941,368</u>
	<u><u>1,061,395</u></u>	<u><u>941,368</u></u>
 Non Current		
Provision for Long Service Leave		
Elected Officers	1,272	-
Other employees	14,327	14,211
	<u>15,599</u>	<u>14,211</u>
	<u><u>15,599</u></u>	<u><u>14,211</u></u>
 Note 10 Cash Flows		
a) Reconciliation of Net Profit to Net Cash Provided by Operating Activities		
Net (Loss)/Profit	294,980	(246,720)
Depreciation:		
- Motor Vehicles	40,664	51,661
- Furniture & Fittings	2,515	2,160
- Plant & Equipment	89,235	94,616
- Buildings	42,475	42,475
(Loss)/Gain on Sale of Equipment	5,973	(1,021)
Change in Assets and Liabilities:		
(Increase)/Decrease in Trade Debtors	3,763	(7,677)
Increase in Provision for Doubtful Debts	-	310
(Increase)/Decrease in Sundry Debtors	(22,410)	(2,750)
Decrease/(Increase) in Prepayments	2,700	56,343
(Decrease)/Increase in Payables	(60,754)	269,246
Increase in Provision for Annual Leave	46,637	30,408
(Decrease)/Increase in Provision for Long Service Leave	74,778	(8,546)
	<u>520,556</u>	<u>280,505</u>
Net Cash Provided by Operating Activities	<u><u>520,556</u></u>	<u><u>280,505</u></u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006 (CONT.)**

	2006	2005
	\$	\$
Note 10		
Cash Flows (cont.)		
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	224,632	191,119
	<u>225,132</u>	<u>191,619</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.		
e) Cash flows with other AEU branches		
Cash received from:		
AEU Federal Office	-	19,151
Total cash received	<u>-</u>	<u>19,151</u>
	=====	=====
Cash paid to:		
AEU Federal Office	532,522	440,467
AEU (Victorian Branch)	-	886
Total cash paid	<u>532,522</u>	<u>441,353</u>
	=====	=====

Note 11 Auditor's Remuneration

Amounts received or due and receivable
by auditors for:

- auditing or reviewing the financial report	11,475	11,475
- other services	-	-
	<u>11,475</u>	<u>11,475</u>
	=====	=====

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006 (CONT.)**

	2006	2005
	\$	\$
Note 12		
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	Janice Webber
Marcus Knill	John (Jack) Major
Richard Baxter	Jacqueline Bone-George
Nicolas Cava	Daniel Ellis
Stephen Errock	Alice Haberfield
John Hunter	Pam Kent
Julie Masters	Clare McCarty
Helen O'Connor	David Smith
Katrina Spencer	Christine Waugh
Michael Williss	Bronwen Young
Roger Zubrinich	

The aggregate amount of remuneration directly or indirectly received or receivable for the year ended 31st December 2006, whether as an Executive member or otherwise, from the reporting entity in connection with the management of the reporting entity, was \$360,928 (2005 \$370,752). The aggregate amounts paid during the year ended 31st December 2006 to a superannuation plan or other entity by the reporting entity in connection with the retirement of Executive members of the reporting entity was \$78,279 (2005 \$46,150).

Note 13 **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 41.7.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

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

Note 14 Financial Instruments Disclosure (cont.)

(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.

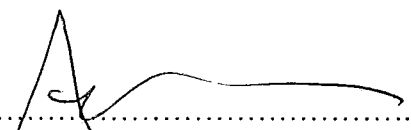
Sub-section 272(3) A reporting unit must comply with an application made under subsection (1)

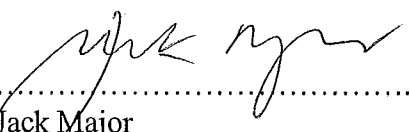
AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

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 14th May 2007, 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 2006 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.
- (f) The branch has not undertaken recovery of wages activity.


.....
Andrew Gohl


.....
Jack Major

Dated 14/5/07



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 2006.

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

- applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia;
- the Workplace Relations Act, 1996; and
- 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 2006, 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
Chartered Accountants

Jamie Dreckow
Chartered Accountant - (Partner)

Adelaide
South Australia
Dated 14/5/2007

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 FCA
Angelo R Piantadosi FCA
Grantley W Stevens FCA

Senior Employees

Kym C Davis CA
Paul A Dutton CA
Belinda C Goedecke FCA
Karen R Gregor CA
Leanne E Thomas CA
Carly Thornton CA
Martin D White CA
Nicholas K Wilkins FCA

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006**

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 2006 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 subscription revenue arising from membership growth and improved collection of member subscription increases as they became due.


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: 14/5/07

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)
OPERATING REPORT FOR THE YEAR ENDED 31ST DECEMBER 2006**

The Committee of the Management present their report on the Australian Education Union (SA Branch) for the year ended 31st December 2006.

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

Andrew Gohl	Janice Webber	Marcus Knill
John (Jack) Major	Richard Baxter	Jacqueline Bone-George
Nicolas Cava	Daniel Ellis	Stephen Errock
Alice Haberfield	John Hunter	Pam Kent
Julie Masters	Clare McCarty	Helen O'Connor
David Smith	Katrina Spencer	Christine Waugh
Michael Williss	Bronwen Young	Roger Zubrinich

Committee members have been in office throughout the financial year unless otherwise stated.

No officer or member of the Branch 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;

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 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 surplus of \$294,980. There has been no significant change in the Union's financial affairs during the year.

The number of members as at 31st December 2006 was 13,208.

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

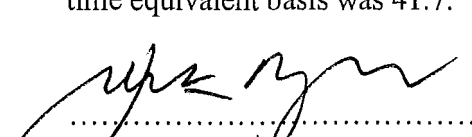
(b) in any other case -

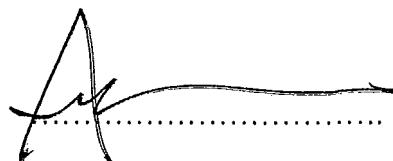
(i) at the end of 2 weeks after the notice is received at the office of the relevant Branch Secretary; or

(ii) on the day specified in the notice;

whichever is later.

The number of persons who as at 31st December 2006 were employees of the Branch measured on a full time equivalent basis was 41.7.


.....
Dated 14/5/07
Signed in accordance with a resolution of the Executive Committee


.....

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2006

	2006	2005
	\$	\$
Revenues	6,213,621	5,621,937
Expenses		
Governance	647,058	633,751
Administration & Personnel	877,288	869,108
Operations	2,939,331	3,032,392
Other Member Operations	1,100,623	972,950
Property	354,341	360,456
	<u>5,918,641</u>	<u>5,868,657</u>
Net (Loss) / Profit	<u>294,980</u>	<u>(246,720)</u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2006**

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 st January 2005	6,615,473	2,015,375	8,630,848
(Loss) attributable to members of the Union	(246,720)	-	(246,720)
Balance at 31 st December 2005	<u>6,368,753</u>	<u>2,015,375</u>	<u>8,384,128</u>
Profit attributable to members of the Union	294,980	-	294,980
Balance as 31 st December 2006	<u><u>6,663,733</u></u>	<u><u>2,015,375</u></u>	<u><u>8,679,108</u></u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

BALANCE SHEET AS AT 31ST DECEMBER 2006

	2006	2005
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	225,132	191,619
Receivables	123,621	104,974
Other current assets	54,092	56,792
Other Financial Assets	5,418,635	5,153,715
Total Current Assets	5,821,480	5,507,100
NON-CURRENT ASSETS		
Property, Plant and Equipment	4,712,435	4,671,174
Financial Assets	2	2
Total Non-Current Assets	4,712,437	4,671,176
TOTAL ASSETS	10,533,917	10,178,276
CURRENT LIABILITIES		
Trade and other Payables	777,815	838,569
Short – term Provisions	1,061,395	941,368
Total Current Liabilities	1,839,210	1,779,937
NON CURRENT LIABILITIES		
Long – term Provisions	15,599	14,211
Total Non Current Liabilities	15,599	14,211
TOTAL LIABILITIES	1,854,809	1,794,148
NET ASSETS	8,679,108	8,384,128
EQUITY		
Asset Revaluation Reserve	2,015,375	2,015,375
Retained Earnings	6,663,733	6,368,753
TOTAL EQUITY	8,679,108	8,384,128

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2006**

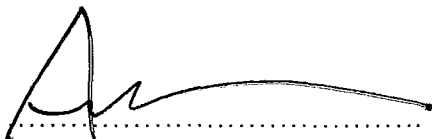
	2006	2005
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Subscriptions	6,423,008	5,830,274
Journal Subscriptions & Advertising	44,854	21,891
Payments to Suppliers and Employees	(5,985,204)	(5,654,895)
Rent & Room Hire	69,516	73,747
Interest Received	303,527	299,677
Other Income	20,508	40,642
Net GST Payable	(355,653)	(330,831)
Net Cash Provided by Operating Activities	<u>520,556</u>	<u>280,505</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Property, Plant and Equipment	(261,073)	(199,417)
Proceeds From Sale of Equipment	38,950	30,726
Redemptions from/(Deposits to) Investments	(266,768)	35,307
Staff/Member Loans Issued	(5,202)	(10,246)
Payments Received on Staff/Member Loans	7,050	9,278
Net Cash Used in Investing Activities	<u>(487,043)</u>	<u>(134,352)</u>
Net Increase/(Decrease) in Cash Held	33,513	146,153
Cash at the Beginning of the Reporting Period	191,619	45,466
Cash at the End of the Reporting Period	<u><u>225,132</u></u>	<u><u>191,619</u></u>

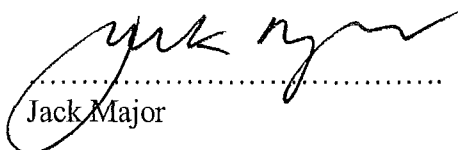
AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

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 14th May 2007, 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 2006 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.
- (f) The branch has not undertaken recovery of wages activity.


.....
Andrew Gohl


.....
Jack Major

Dated 14/5/07



**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 2006 comprising the balance sheet, income statement, cash flow 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 14 May 2007;
- (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)

Adelaide
South Australia

Dated 17/5/07

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 FCA
Angelo R Piantadosi FCA
Grantley W Stevens FCA

Senior Employees

Kym C Davis CA
Paul A Dutton CA
Belinda C Goedecke FCA
Karen R Gregor CA
Leanne E Thomas CA
Carly Thornton CA
Martin D White CA
Nicholas K Wilkins FCA