



FAIR WORK
COMMISSION

30 January 2014

Mr Jack Major
Secretary, South Australia Branch
Australian Education Union
163 Greenhill Road
PARKSIDE SA 5063

Dear Mr Major,

**Re: Lodgement of Financial Statements and Accounts - Australian Education Union,
South Australia Branch - for year ended 31 December 2011 (FR2011/2906)**

I refer to the above financial statements and accounts which were lodged on 25 June 2012. I acknowledge an unusual delay in corresponding to you in relation to these reports.

The documents comply with the relevant legislative requirements and have been filed.

Yours sincerely

Stephen Kellett

Senior Adviser, Regulatory Compliance Branch

From: KELLETT, Stephen
To: ["Jack Major"](#)
Subject: RE: Financial Report y/e 31 Dec 2011 - filing
Date: Thursday, 30 January 2014 10:10:00 AM
Attachments: [AEU SA FR2011_2906 \(final\).pdf](#)

Dear Mr Major,

Please see attached my letter in relation to the above.

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6723 7237
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Australian Education Union

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phone: [08] 8272 1399 **email:** aeusa@aeusa.asn.au
fax: [08] 8373 1254 **website:** www.aeusa.asn.au

Your reference:
Our reference:

21 June 2012

General Manager
Fair Work Australia
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 ended 31 December 2011, are copies of the documents that in accordance with s266 of the Fair Work (Registered Organisations) Act 2009 were presented to a meeting of the Committee of Management of the Australian Education Union (SA Branch) held on 18 June 2012.

By resolution of the Committee of Management on 21 May 2012 the financial statements were provided to members by publication on the AEU (SA Branch) website on 24 May 2012, and members were advised of publication on the website by an e-news publication which is provided free of charge to members of the Australian Education Union (SA Branch).

Yours sincerely


JACK MAJOR
Branch Secretary

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)
OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2011**

The Committee of the Management present their report on the Australian Education Union (SA Branch) for the year ended 31 December 2011.

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

Correna Haythorpe	(President)	
Anne Crawford	(Vice President)	
David Smith	(Vice President)	
John (Jack) Major	(Branch Secretary)	
Jacqueline Bone-George	(Treasurer)	
Michael Braham	David Coulter	Lee Duhring
Denise Ellem	Meredith Farmer	Jennie-Marie Gorman
Katrina Hanlin	Malcolm Hawkins	Carmen Kowalski
Ashley Lindner	Lesley Lindsay-Taylor	Donald Peter
Chris Turrell	Malcolm Vaughan	Bob Woodbury

Note: All Committee Members are serving a 2 year term of office ending 31 December 2011. Office holders are listed at the beginning of the Committee Member list. All other Committee Members are known as Ordinary Branch Executive Members.

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 within the Public Education industry within South Australia.

The union set the following priorities to direct its work in 2011;

- Increase Government funding to public schools, early childhood education centres and TAFE Institutes
- Enhance and support the professional status of AEU members in public education
- Protect and promote quality teaching and learning
- Protect and enhance the industrial rights of AEU members
- Promote human rights and social justice.

Accordingly the principal activities of the union centred on achievement of these goals.

A major activity in the schooling sector membership was the development of awareness, and encouragement of union members and their school communities to contribute submissions to the Federal Government's Review of School Funding (the Gonski Review) with the aim of every public school community making a submission to the Review. The introduction of a new Student Centred Funding Model for schools required substantial union resources to assist schools compare pre- and post-implementation funding levels. The AEU's participation in school amalgamation reviews is required by state legislation. In the latter part of the year AEU representatives participated in 21 reviews which sought community views of the State government's proposal to amalgamate 42 junior primary and primary schools. As a result of the union's involvement 19 of the review committee reports recommended against amalgamation.

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)
OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2011 (Cont.)**

TAFE members participated in the *Invest in Quality, Invest in TAFE* campaign with the aim of raising political awareness of the erosion of quality training provision that has been a feature of the introduction of fully contestable VET funding interstate which is to be the key feature of the State government's *Skills for All* vocational education and training reforms.

Preschool members faced the implementation of Universal Access to 15 hours per week of preschool education and qualifications upgrade required by the National Quality Framework.

Implementation of the changes to industrial conditions arising from the new Awards that took effect from 3 September 2010 were monitored by the union and members educated about their impact on employees' industrial rights and conditions. Substantial resources were devoted to training members in the changed features of Personnel Advisory Committees in schools that were included in the new Schools and Preschools Award.

The financial results of those activities is a profit of \$377,750.
There has been no significant change in the Union's financial affairs during the year.

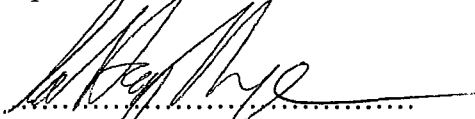
The number of members as at 31 December 2011 was 13,542.

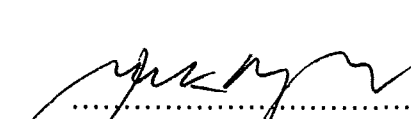
Members may resign from the Union in accordance with Federal Rule 17 which reads:

"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 31 December 2011 were employees of the Branch measured on a full time equivalent basis was 41.9.


.....
Correna Haythorpe
Dated 22 May '12


.....
Jack Major
Dated 22 May '12

Dated & Signed in accordance with a resolution of the Executive Committee

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

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

	Note	2011	2010
		\$	\$
Revenue	2	7,335,207	6,961,533
Governance expenses		748,620	693,642
Administration & Personnel expense		1,050,663	1,126,099
Operations expense		3,509,937	3,471,750
Other Member Operations expense		1,257,219	1,161,086
Property expense		391,018	375,037
	3(a)	<u>6,957,457</u>	<u>6,827,614</u>
Net (Loss) / Profit for the year		<u>377,750</u>	<u>133,919</u>
Total other comprehensive income		<u>377,750</u>	<u>133,919</u>
Total comprehensive income attributable to members of the Union		<u><u>377,750</u></u>	<u><u>133,919</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 31 DECEMBER 2011**

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2010	5,214,382	3,427,768	8,642,150
Profit attributable to members of the Union	133,919	-	133,919
Balance as 31 December 2010	<u>5,348,301</u>	<u>3,427,768</u>	<u>8,776,069</u>
Profit attributable to members of the Union	377,750	-	377,750
Balance as 31 December 2011	<u><u>5,726,051</u></u>	<u><u>3,427,768</u></u>	<u><u>9,153,819</u></u>

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

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Notes	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	73,094	58,852
Receivables	5	168,203	117,218
Other current assets	6	53,646	45,961
Other Financial Assets	7	5,617,449	4,991,300
Total Current Assets		<u>5,912,392</u>	<u>5,213,331</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	5,754,710	5,871,079
Financial Assets	7	2	2
Total Non-Current Assets		<u>5,754,712</u>	<u>5,871,081</u>
TOTAL ASSETS		<u>11,667,104</u>	<u>11,084,412</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other Payables	9	1,541,372	1,400,343
Short – term Provisions	10	963,061	878,801
Total Current Liabilities		<u>2,504,433</u>	<u>2,279,144</u>
NON CURRENT LIABILITIES			
Long – term Provisions	10	8,852	29,199
Total Non Current Liabilities		<u>8,852</u>	<u>29,199</u>
TOTAL LIABILITIES		<u>2,513,285</u>	<u>2,308,343</u>
NET ASSETS		<u>9,153,819</u>	<u>8,776,069</u>
EQUITY			
Asset Revaluation Reserve		3,427,768	3,427,768
Retained Earnings		5,726,051	5,248,301
TOTAL EQUITY		<u>9,153,819</u>	<u>8,776,069</u>

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

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Subscriptions		7,530,226	7,222,479
Journal Subscriptions & Advertising		43,055	42,825
Payments to Suppliers and Employees		(6,798,902)	(7,019,594)
Rent & Room Hire		86,945	79,466
Interest Received		277,583	268,306
Other Income		2,028	1,741
Net GST Payable		(470,770)	(376,470)
Net Cash Used in Operating Activities	11	<u>670,165</u>	<u>218,753</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(29,774)	(151,571)
Proceeds from Sale of Equipment		-	83,068
Withdrawals from/(Deposits to) Investments		(632,047)	(259,759)
Staff Loans Issued		(1,509)	(8,670)
Payments Received on Staff Loans		7,407	8,477
Net Cash Used in Investing Activities		<u>(655,923)</u>	<u>(328,455)</u>
Net (Decrease)/Increase in Cash Held		14,242	(109,702)
Cash and cash equivalents at the beginning of the financial year		58,852	168,554
Cash and cash equivalents at the end of the financial year 11		<u><u>73,094</u></u>	<u><u>58,852</u></u>

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 31 DECEMBER 2011

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 Fair Work (Registered Organisations) Act 2009. 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 Fair Work (Registered Organisations) Act 2009 in Australia.

The financial report was authorised for issue on 21st May 2012 by the Branch Executive.

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

(a) 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 October 2008. The valuation was performed by Mr Paul C Tilley FAPI, AREI, CREI (Val), Certified Practising Valuer.

Subsequent costs are included in the asset's carrying value or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Union and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

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 31 DECEMBER 2011 (CONT.)

Note 1 Accounting policies (cont.)

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

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

An asset's 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.

(b) Employee Benefits

Provision is made for the organisation's liability for employee benefits arising from services rendered by employees to balance date. The provision recognises the employees' previous service with the South Australian Institute of Teachers. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled within 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on National Government bonds with terms to maturity that match the expected timing of cash flows.

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

(c) Trade & Other Payables

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 2010. Trade accounts are normally settled within 30 days.

(d) 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.

(e) 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.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONT.)**

Note 1 Accounting policies (cont.)

(f) 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.

(g) 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 statement of comprehensive income.

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.

(h) Cash and Cash Equivalents

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

(i) Comparative Figures

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

(j) Revenue and other income

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.

(k) Asset Revaluation Reserve

The Asset Revaluation Reserve records revaluation of non-current assets.

(l) Provisions

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

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONT.)**

Note 1 Accounting policies (cont.)

(m) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets are recognised when the entity becomes a party to the contractual provisions of the instrument. Settlement date accounting is adopted for financial assets. Financial instruments are initially measured at fair value plus transactions costs. Financial instruments are classified and measured as set out below:

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Union's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Impairment

At the end of each reporting period, the Union assess whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset.

(n) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, and which the Union has decided not to early adopt. A discussion of those future requirements and their impact on the Union is as follows:

- AASB 9: Financial Instruments (December 2010) and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONT.)**

Note 1 Accounting policies (cont.)

(n) New Accounting Standards for Application in Future Periods (cont.)

- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and

- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

- AASB 2010–6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard will affect certain disclosures only relating to financial instruments and is therefore not expected to significantly impact the Union.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONT.)

Note 1 Accounting policies (cont.)

(n) New Accounting Standards for Application in Future Periods (cont.)

- AASB 1054: Australian Additional Disclosures and AASB 2011–1: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113] (applicable for annual reporting periods commencing on or after 1 July 2011).

AASB 1054 sets out the Australian-specific disclosures that are additional to IFRS disclosure requirements.

The disclosure requirements in AASB 1054 were previously located in other Australian Accounting Standards.

These Standards are not expected to significantly impact the Union.

- AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009–11, 2010–7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the Union.

- AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the Union.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONT.)**

Note 1 Accounting policies (cont.)

(n) New Accounting Standards for Application in Future Periods (cont.)

- AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011–8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Union does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

- (i) for an offer that may be withdrawn – when the employee accepts;
- (ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
- (iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

The Union has not yet been able to reasonably estimate the impact of these changes to AASB 119.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONT.)**

Note 2	Revenue And Other Income	2011	2010
		\$	\$
	REVENUE		
	Subscriptions	6,868,335	6,563,517
	Interest	344,678	288,348
	Rent	47,479	40,979
	Room Hire	32,214	28,143
	(Loss)/Profit on sale of Plant & Equipment	(480)	456
	Other Income	1,959	1,215
	Journal Advertising & Subscriptions	41,022	38,875
	TOTAL REVENUE	<u>7,335,207</u>	<u>6,961,533</u>

Note 3 **Profit for the year**

(a) EXPENSES

GOVERNANCE

Branch, Area & Divisional Council Meetings	81,632	80,648
Sub-branch Administration Grants	6,057	5,245
Committee Expenses & Communication to Members	40,217	19,857
Executive Expenses	27,006	18,350
Donations	1,350	441
Entertainment & Travel	25,169	19,221
Travel sustentation	750	110
Executive Allowances	3,875	3,875
Salaries and related costs of Elected Officers	562,564	545,895
TOTAL GOVERNANCE	<u>748,620</u>	<u>693,642</u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONT.)**

Note 3	Profit for the Year (cont.)	2011	2010
		\$	\$
	ADMINISTRATION & PERSONNEL		
	Accountancy & Audit	15,431	12,875
	Bank Fees	53,957	56,230
	Doubtful Debts	(100)	-
	Entertainment & Travel	466	892
	Fringe Benefits Tax	4,139	5,539
	Insurance	4,079	4,084
	Internet Access & Website	21,110	42,600
	Legal Fees	-	833
	Machine Maintenance	29,384	14,457
	Postage	8,252	8,515
	Printing & Stationery	22,512	20,141
	Provision for Annual Leave	23,702	(7,495)
	Provision for Long Service Leave	63,913	201,289
	Provision for Sick Leave	30,000	-
	Recruitment & Training	15,625	25,013
	Salaries and related costs	590,526	578,532
	Computer Expenses	101,406	90,422
	Sundry Expenses	14,120	12,675
	Telephone & Fax	52,141	59,497
		<hr/>	<hr/>
	TOTAL ADMINISTRATION & PERSONNEL	1,050,663	1,126,099
		<hr/>	<hr/>
	OPERATIONS		
	Campaign & Publicity:		
	Advertising & Other Campaign Expenses	157,444	129,510
	Media Consultancy & Monitoring	12,136	13,460
		<hr/>	<hr/>
		169,580	142,970
	Membership Records:		
	Stationery/Resources	5,005	10,483
	Postage	14,071	13,638
	Salaries and related costs	204,071	182,411
		<hr/>	<hr/>
		223,147	206,532

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONT.)**

Note 3	Profit for the Year (cont.)	2011	2010
		\$	\$
	OPERATIONS (Cont.)		
	Resource Centre:		
	Purchases	17,960	22,114
	Salaries and Related Costs	213,291	215,501
		<u>231,251</u>	<u>237,615</u>
	Organisers:		
	Regional Office Expenses	7,151	14,368
	Motor Vehicle Expenses	57,306	63,946
	Depreciation - Motor Vehicles	41,393	44,115
	Salaries and Related Costs	1,635,623	1,551,259
	Travel & Sundry Expenses	74,369	53,808
		<u>1,815,842</u>	<u>1,727,496</u>
	Industrial:		
	Legal Expenses	11,794	166,711
	Associated Legal Costs	-	2,271
	Salaries and Related Costs	511,889	474,330
	Travel & Sundry Expenses	4,868	2,027
		<u>528,551</u>	<u>645,339</u>
	Communications:		
	AEU Journal - Printing	68,721	66,507
	- Delivery	51,167	50,913
	Newsletters - Printing	1,235	2,432
	- Delivery	873	1,169
	Travel & Accommodation	398	111
	Salaries and Related Costs	261,154	254,592
		<u>383,548</u>	<u>375,724</u>
	Women's Officer:		
	Operating Expenses	49,091	33,780
	Salaries and Related Costs	107,722	102,025
	Travel & Sundry Expenses	1,205	269
		<u>158,018</u>	<u>136,074</u>
	TOTAL OPERATIONS	<u><u>3,509,937</u></u>	<u><u>3,471,750</u></u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONT.)**

Note 3	Profit for the Year (cont.)	2011	2010
		\$	\$
	OTHER MEMBER OPERATIONS		
	Legal Defence	107,385	111,598
	Union Development	262,456	216,116
	Member Professional Development	88,983	63,833
	International Support	50,060	41,000
	A.E.U. Affiliation	479,899	471,045
	Other Affiliations	65,146	60,475
	National Committees & Conferences		
	Travel & other expenses	7,637	6,886
	Sustentation	5,731	4,290
	Salaries and Related Costs	188,676	185,489
	Travel and accommodation	1,246	354
	TOTAL OTHER MEMBER OPERATIONS	<u>1,257,219</u>	<u>1,161,086</u>
	PROPERTY		
	Repairs & Maintenance	46,260	39,329
	Rates & Taxes	62,426	59,617
	Electricity	47,012	41,527
	Cleaning	43,174	42,734
	Insurance	15,195	14,831
	Sundry Property Expenses	10,219	15,543
	Depreciation		
	- Furniture & Fittings	8,210	8,192
	- Plant & Equipment	58,560	60,579
	- Buildings	37,500	37,500
	Salaries and Related Costs	62,462	55,185
	TOTAL PROPERTY	<u>391,018</u>	<u>375,037</u>
	TOTAL EXPENSES	<u><u>6,957,475</u></u>	<u><u>6,827,614</u></u>

(b) Significant Revenue & Expenses

The following significant revenue and expense items are relevant in explaining the financial performance:

Legal Expense	11,794	166,711
A.E.U. Affiliation	479,899	471,045
	<u><u> </u></u>	<u><u> </u></u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONT.)**

Note 4	Cash and cash equivalents	2011	2010
		\$	\$
	Petty Cash	400	400
	Cash at Bank	72,694	58,452
		<u>73,094</u>	<u>58,852</u>
Note 5	Receivables		
	Trade Debtors	10,205	34,481
	Provision for Doubtful Debts	-	(100)
		<u>10,205</u>	<u>34,381</u>
	Sundry Debtors	157,998	82,837
		<u>168,203</u>	<u>117,218</u>
<p>Note that in both 2011 and 2010 there were no amounts in Trade Debtors in relation to an amount receivable from the Australian Education Union.</p>			
Note 6	Other Current Assets		
	Prepayments	<u>53,646</u>	<u>45,961</u>
Note 7	Other Financial Assets		
	Investments - Current		
	Satisfac Deposits	2,843,924	2,669,945
	Bank SA:		
	Short Term Money Market	721,754	289,219
	Term Deposit/Bank Bills	549,822	524,288
	Members Equity Deposit	1,500,000	1,500,000
	Staff Computer Loans	1,949	7,848
		<u>5,617,449</u>	<u>4,991,300</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 31 DECEMBER 2011 (CONT.)**

Note 8 Property, Plant & Equipment (cont.)

	<u>2011</u>						
	G/Hill Rd	Porter St	Work of Art	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Total
Opening WDV	4,918,733	487,000	36,300	181,857	51,759	195,430	5,871,079
Additions – cost	-	-	-	27,198	2,576	-	29,774
Disposals	-	-	-	(480)	-	-	(480)
Depreciation	(37,500)	-	-	(58,560)	(8,210)	(41,393)	(145,663)
Closing WDV	<u>4,881,233</u>	<u>487,000</u>	<u>36,300</u>	<u>150,015</u>	<u>46,125</u>	<u>154,037</u>	<u>5,754,710</u>

	<u>2010</u>						
	G/Hill Rd	Porter St	Work of Art	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Total
Opening WDV	4,956,233	487,000	36,300	230,196	58,105	184,671	5,952,505
Additions – cost	-	-	-	12,240	1,285	138,046	151,571
Disposals	-	-	-	-	561	(83,172)	(82,611)
Depreciation	(37,500)	-	-	(60,579)	(8,192)	(44,115)	(150,386)
Closing WDV	<u>4,918,733</u>	<u>487,000</u>	<u>36,300</u>	<u>181,857</u>	<u>51,759</u>	<u>195,430</u>	<u>5,871,079</u>

Note 9 Trade and other Payables

	2011	2010
	\$	\$
Accrued Expenses	610,039	500,989
Subscriptions in advance	349,479	371,202
Employee Benefits		
Provision for Annual Leave		
Elected Officers	72,300	66,169
Other employees	429,554	411,983
	<u>501,854</u>	<u>478,152</u>
Provision for Sick Leave		
Elected Officers	9,910	6,267
Other employees	70,090	43,733
	<u>80,000</u>	<u>50,000</u>
	<u><u>1,541,372</u></u>	<u><u>1,400,343</u></u>

Note: Accrued Expenses include \$2,303 (2010 \$1,781) in relation to salary and oncost obligations for Elected Officers and \$4,606 (2010 \$8,071) in relation to legal costs.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011(CONT.)**

	2011	2010
	\$	\$
Note 10		
Provisions		
Current		
Provision for Long Service Leave		
Elected Officers	90,720	28,093
Other employees	872,341	850,708
	<u>963,061</u>	<u>878,801</u>
Non Current		
Provision for Long Service Leave		
Elected Officers	3,932	1,106
Other employees	4,920	28,093
	<u>8,852</u>	<u>29,199</u>
Note 11		
Cash Flows		
a) Reconciliation of Net Profit to Net Cash Provided by Operating Activities		
Net Profit/(Loss)	377,750	133,919
Depreciation:		
- Motor Vehicles	41,393	44,115
- Furniture & Fittings	8,210	8,192
- Plant & Equipment	58,560	60,579
- Buildings	37,500	37,500
(Profit)/Loss on Sale of Equipment	480	(456)
Change in Assets and Liabilities:		
(Increase)/Decrease in Trade Debtors	24,276	(23,948)
(Decrease) in Provision for Doubtful Debts	(100)	-
(Increase) in Sundry Debtors	(75,161)	(10,381)
(Increase)/Decrease in Prepayments	(7,685)	15,786
(Decrease)/Increase in Payables	87,327	(240,347)
(Decrease)/Increase in Provision for Annual Leave	23,702	(7,495)
Increase in Provision for Long Service Leave	63,913	201,289
Increase in Provision for Sick Leave	30,000	-
Net Cash Provided by Operating Activities	<u>670,165</u>	<u>218,753</u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONT.)**

		2011	2010
		\$	\$
Note 11	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	400	400
	Cash at bank	72,694	58,452
		73,094	58,852
		73,094	58,852
	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	841	125
	AEU (Vic Branch)	1,293	-
	AEU (Tas Branch)	137	-
	Total cash received	2,271	125
		2,271	125
	Cash paid to:		
	AEU Federal Office	578,954	648,782
	AEU (Victorian Branch)	-	25
	Total cash paid	578,954	648,807
		578,954	648,807

Note 12 Auditor's Remuneration

Amounts received or due and receivable
by auditors for:

- auditing or reviewing the financial report	15,431	12,875
- other services	-	-
	15,431	12,875
	15,431	12,875

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONT.)**

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:

Correna Haythorpe (President)	Anne Crawford (Vice President)
David Smith (Vice President)	John (Jack) Major (Branch Secretary)
Jacqueline Bone-George (Treasurer)	Michael Braham
David Coulter	Lee Duhring
Denise Ellem	Meredith Farmer
Jennie-Marie Gorman	Katrina Hanlin
Malcolm Hawkins	Carman Kowalski
Lesley Lindsay-Taylor	Ashley Lindner
Donald Peter	Chris Turrell
Malcolm Vaughan	Bob Woodbury

The aggregate amount of remuneration directly or indirectly received or receivable for the year ended 31 December 2011, whether as an Executive member or otherwise, from the reporting entity in connection with the management of the reporting entity, was \$471,727 (2010 \$431,543). The aggregate amounts paid during the year ended 31st December 2011 to a superannuation plan or other entity by the reporting entity in connection with the retirement of Executive members of the reporting entity was \$60,485 (2010 \$76,216).

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 41.9.

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONT.)**

Note 15 Financial Instruments Disclosure

(a) Interest rate risk

The Union's financial instruments consist mainly of deposits with banks, short term investments, amounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are also set out below.

<u>2011</u>	Floating Interest rate	Fixed interest Maturing in 1 year or less	Non interest bearing	Total
Financial assets				
Cash on hand and in banks	72,694	-	400	73,094
Investments – other than public investments	721,754	4,893,746	1,949	5,617,449
Trade and other debtors	-	-	221,849	221,849
	<u>794,448</u>	<u>4,893,746</u>	<u>224,198</u>	<u>5,912,392</u>
Weighted average interest rate	4.4%	6.3%		
Financial Liabilities				
Accrued Expenses	-	-	610,039	610,039
Subscriptions in advance	-	-	349,479	349,479
	<u>-</u>	<u>-</u>	<u>959,518</u>	<u>959,518</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2010</u>	Floating Interest rate	Fixed interest Maturing in 1 year or less	Non interest bearing	Total
Financial assets				
Cash on hand and in banks	58,452	-	400	58,852
Investments – other than public investments	289,219	4,694,233	7,848	4,991,300
Trade and other debtors	-	-	163,179	163,179
	<u>347,671</u>	<u>4,694,233</u>	<u>171,427</u>	<u>5,213,331</u>
Weighted average interest rate	4.5%	6.4%		
Financial Liabilities				
Accrued Expenses	-	-	500,989	500,989
Subscriptions in advance	-	-	371,202	371,202
	<u>-</u>	<u>-</u>	<u>872,191</u>	<u>872,191</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2011 (CONT.)**

Note 15 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.

(d) Financial Risk Management Policies

The Union's Executive is responsible for, among other issues, monitoring and managing financial risk exposures of the Union. The Executive monitors the Union's transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. Discussions on monitoring and managing financial risk exposures are held bi-monthly and minuted by the committee of management.

The Executive's overall risk management strategy seeks to ensure that the Union meets its financial targets, while minimising potential adverse effects of cash flow shortfalls

(e) Sensitivity Analysis

The following table illustrates sensitivities to the Union's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit	Equity
	\$	\$
Year ended 31 December 2011		
+ 2% in interest rates	85,681	85,681
- 2% in interest rates	(85,085)	(85,085)
Year ended 31 December 2010		
+ 2% in interest rates	91,734	91,734
- 2% in interest rates	(93,183)	(93,183)

AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

PRESCRIBED INFORMATION NOTICE

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 272, which read as follows:

Sub-section 272(1) A member of a reporting unit, or the General Manager, 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.

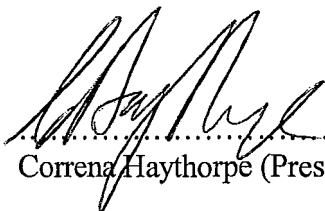
Sub-section 272(3) A reporting unit must comply with an application made under subsection (1)

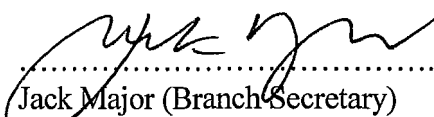
AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

COMMITTEE OF MANAGEMENT STATEMENT

We, Correna Haythorpe 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 21st May 2012, 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 General Manager of FWA;
- (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 2011 and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the alternative meeting schedule trialled prior to proposed amendment to the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) 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 the General Manager of FWA duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of FWA; and
 - (vi) there has been compliance with any order for inspection of financial records made by FWA under section 273 of the Fair Work (Registered Organisations) Act 2009.
- (f) The branch has not undertaken recovery of wages activity.


.....
Correna Haythorpe (President)


.....
Jack Major (Branch Secretary)

Dated 22/5/12



THE AUSTRALIAN EDUCATION UNION (SA BRANCH)

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALIAN EDUCATION UNION (SA BRANCH)**

Report on the Financial Report

We have audited the accompanying financial report of the Australian Education Union (SA Branch) ('the Union'), which comprises the statement of financial position as at 31 December 2011, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory notes and statement by the Committee of Management.

Committee of Management's Responsibility for the Financial Report

The Committee of Management of the Union are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the Committee of Management also states, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Committee of Management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.



THE AUSTRALIAN EDUCATION UNION (SA BRANCH)

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALIAN EDUCATION UNION (SA BRANCH) (CONT)**

Opinion

In our opinion, the financial report of the Australian Education Union (SA Branch) is in accordance with the Fair Work (Registered Organisations) Act, 2009 and

- a) it presents fairly, in all material respects, the financial position of the Australian Education Union (SA Branch), as at 31 December 2011, and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act, 2009 and any other requirements imposed by Part 3 Chapter 8 of the RO Act; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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

Edwards Marshall
Chartered Accountants

Jamie Dreckow
Partner
Chartered Accountant
Registered Company Auditor #222051

Adelaide
South Australia

23 May 2012



FAIR WORK
AUSTRALIA

3 February 2012

Mr Jack Major
Secretary
Australian Education Union-South Australian Branch

(08) 8373 1254

Dear Mr Major,

**Lodgement of Financial Documents for year ended 31 December 2011 [FR2011/2906]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

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

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

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

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

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

Yours sincerely,

Kevin Donnellan
Organisations, Research & Advice
Fair Work Australia

TIMELINE/ PLANNER

Financial reporting period ending:	/ /
------------------------------------	-----

Prepare financial statements and Operating Report.
--

(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /
(b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	

As soon as practicable after end of financial year

Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
---	-----

*Within a reasonable time of having received the GPFR
(NB: Auditor's report must be dated on or after date of Committee of Management Statement)*

Provide full report free of charge to members – s265 The full report includes:	/ /
<ul style="list-style-type: none"> • the General Purpose Financial Report (which includes the Committee of Management Statement); • the Auditor's Report; and • the Operating Report. 	

(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,

or

(b) in any other case including where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of end of financial year.*

Present full report to:	/ /
(a) General Meeting of Members - s266 (1),(2); OR	
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /

Within 6 months of end of financial year

Within 6 months of end of financial year

Lodge full report with Fair Work Australia, together with the #Designated Officer's certificate** – s268	/ /
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Within 14 days of meeting

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

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

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