



Mr Brian Henderson
Branch Secretary
Australian Education Union
Victorian Branch
PO Box 363
Abbotsford Victoria 3067

email: melbourne@aeuvic.asn.au

Dear Mr Henderson

Re: Financial Report for Australian Education Union (Victorian Branch) for year ended 31 December 2006 – FR2006/641

I acknowledge receipt of the financial report for the Australian Education Union (Victorian Branch) for the year ended 31 December 2006. This document was lodged with the Registry on 7 June 2007.

The financial report has 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.

1. 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.

2. Committee of Management Statement

I remind you that the applicable Reporting Guidelines require the Committee of Management Statement to include information in relation to recovery of wages activity.

You may wish to consider words such as:

(xz) in relation to the recovery of wages activity:

(i) there has been no such activity undertaken by the reporting unit

3. Schedule 1

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

4. Notes to the Financial Statements

The wording of section 272 in note 17 is incorrect. I have set out the relevant wording below:

Information to be provided to members or Registrar

(1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

Electronic lodgment

I encourage you to take advantage of the electronic lodgment service provided by the Registry for future lodgments. You may register as a user and then lodge your documents via the Electronic Lodgment page of the AIRC website at www.airc.gov.au. Alternatively, you may send an email with the documents attached to: riateam3@air.gov.au. Please note that the Rules of the Commission allow for electronic signatures to be used, other than for statutory declarations (see subrule 74A(1)). Where documents are lodged electronically, there will be no need to forward hard copies of the documents.

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

Yours sincerely



Kevin Donnellan

Statutory Services Branch
4 July 2007



ABN: 44673398674

AUSTRALIAN EDUCATION UNION

Victorian Branch

112 Trenerry Crescent Abbotsford 3067
PO Box 363 Abbotsford 3067

telephone: 03 9417 2822: 1800 013 379 fax: 03 9417 6198 web: www.aeuvic.asn.au email: melbourne@aeuvic.asn.au

4 June 2007

Industrial Registrar
Australian Industrial Registry – Organisations Branch
GPO Box 1994S
MELBOURNE Vic 3001

Dear Madam/Sir

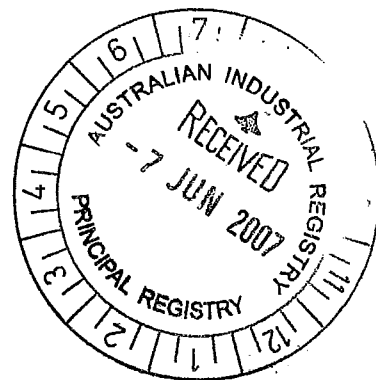
Re: Financial Documents for the Australian Education Union Victorian Branch for the Year Ended 31 December 2006

The full report was presented to Branch Council at its meeting on 1 June 2007.

I am now lodging the full report together with the Secretary's Certificate.

Yours sincerely

Brian Henderson
Branch Secretary





ABN: 44673398674

AUSTRALIAN EDUCATION UNION

Victorian Branch

112 Trenerry Crescent Abbotsford 3067
PO Box 363 Abbotsford 3067

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Certificate of Secretary or other Authorised Officer

(s268 of Schedule 1B Workplace Relations Act 1996)

I Brian John Henderson being the Branch Secretary of the Australian Education Union Victorian Branch certify:

- * that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- * that the full report was provided to members on 31 May 2007; and
- * that the full report was presented to a meeting of the committee of management, being the AEU Victorian Branch Council of the reporting unit on 1 June 2007; in accordance with section 266 of the RAO Schedule.

Signature:

(Branch Secretary)

Date:

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AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN: 44 673 398 674

**Annual Financial Report For The Year Ended
31 December 2006**

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

31 December 2006

ABN: 44 673 398 674

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OPERATING REPORT FOR THE 2006 FINANCIAL YEAR AEU VICTORIAN BRANCH

Principal Activities

In the schools sectors, the major activity was the union's participation in the ACTU/VTHC Campaign against the Howard Government's "Work Choices" Legislation. Tens of thousands of members participated in the 28 June, 2006 and 30 November 2006, Community days of protest in support of the campaign against this unfair and unjust legislation.

The TAFE sector has been through an extensive period of consultation and discussion with our members across the state to develop a comprehensive log of claims, in a new round of enterprise bargaining. During 2006 member forums have been conducted across the state to determine the issues of major concern to our members in TAFE. Completion of the draft log and its ratification will require further member consultation and sub branch visits

In 2006 the AEU has concentrated its efforts in the negotiation of new enterprise agreements for our members covered by part 2 of the award. These members work in the ATSS or day programs of the disability service. The current agreement expired in July 2006 and the Union has found it very difficult to get the Employer representatives to the negotiating table, but has continued to pressure all parties. The AEU has coverage of approximately 88 centres where members are covered under part 1 of the award.

Part 2 members are in a similar position with many of the Disability Workshops have no current agreement or an expired agreement. As these centres are federally funded it has been harder than expected to get them into the negotiating arena. The AEU will continue to push the various employers to negotiate relevant and appropriate agreements.

In our Early Childhood Sector the union certified a Multi Employer Certified Agreement (MECA). The union ran extensive membership training to enable members to access the new standards based classification that delivered increased salaries to Early Childhood teachers. The sector also recruited its first Early Childhood Education Assistants, after a rule change enabled them to join the AEU.

The following significant submissions were lodged during the year:

- Department of Education and Training Review of the International Teaching Fellowship Program;
- Victorian Institute of Teaching Future Teachers Project: Accreditation of Pre-Service Teacher Education Courses.

Significant resources were devoted to our continuing Public Education campaign in an attempt to maximise the political importance of Public Education, particularly in relation to the Victorian Government's 2006 State Budget.

Recruitment

In 2006 we maintained strong recruitment levels as the following table demonstrates.

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
2006	201	407	374	301	351	188	223	252	206	219	511	314	3,547

Financial Affairs

The union continues to prosper with growing membership levels, supplementary sources of income and more efficient management of the organisation.

In 2006 \$3.3 million was invested in term deposits with compounding interest. Such investments should be increased in future years.

In 2006 the net profit from ordinary activities was \$1,115,479 compared to \$744,305 in 2005. Most of the 2005 profit was directly attributable to the increase in membership and prudent management of the union.

The TFV Building - having achieved the milestone of clearing all bank debt in 2004 - is now starting to return substantial profits for the union. In 2006 substantial refurbishment to the building and to the air conditioning system amounting to \$668,000 were financed partly out of TFV profits and partly by increasing the loan from AEU Victorian Branch by almost \$400,000 to \$2.23 million. At the same time the property was revalued from \$10.2 million to \$12.5 million.

The cash assets of the Union exceed \$3 million. With careful management and continuing increases in membership levels, the financial viability of the organisation will continue to grow steadily in future years.

One should not get carried away with the amount of cash assets. Put in context, our current cash assets represent about 3 months operating expenses. In my opinion it is vital we grow the cash base to at least 6 months operating expenses and preferably 12 months operating expenses. Our cash reserves are sufficient to cover staff entitlements such as annual leave and long service leave but that would not leave much cash in the bank. There is no need to change course in a financial sense to improve the level of cash assets. We are achieving that growth at an acceptable rate and with continuing prudent financial management, cash reserves will continue to increase over future years. The other key factor is continuing the improvement in membership numbers.

It is imperative that we maintain our financial vigilance in these uncertain times. The union must continue to build its reserves in order to "fireproof" the union in an increasingly hostile industrial environment. In this context it is important that any changes in staffing levels can be sustained by a growth in the membership base. While we have extracted the organisation from the "financial mire" that we faced when we came to office, that improvement can be frittered away quite rapidly by a few reckless decisions and/or a lack of financial vigilance.

Right of Resignation

Resignation from membership and termination of eligibility for membership is regulated by Federal Branch Rule 17. In keeping with that rule, AEU Victorian Branch Council, at its meeting held on Saturday 24 March, 2001 adopted a policy in respect of refunds of membership dues when members resign.

The policy is:

1. When a member lodges a resignation from the union it will take effect from the date of the letter or the date specified in that letter, whichever is later
2. Where a member's resignation from the union is received but not processed at the time, no disadvantage will be applied when the resignation is processed.
3. Branch Executive is authorised to vary this policy in exceptional circumstances and upon written request.
4. That this policy be highlighted in the AEU News in the first edition each year.

It is imperative that the union receives formal notification when members resign from the union.

Superannuation Trustees/Directors

The following members of our Branch Council are trustees of a superannuation entity or an exempt public sector superannuation scheme:

Dean R GLARE
Barbra A NORRIS

Both are Directors of the Emergency Services Superannuation Board (Victoria)

The following members of our Branch Council are directors of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme:

Jennifer A CASSIDY
Barbra A NORRIS

Both are Directors of VicSuper.

The criterion that makes them eligible to stand for election to both bodies is that they are contributors to those superannuation schemes. Periodically elections for Director positions are conducted by the Victorian Electoral Commission and all contributors are eligible to nominate. A ballot of all contributors decides the positions.

Prescribed Information

- (a) We started the year with 32,331 members and ended with 32,316 members which represent a decrease of 15 members in the reporting year.

While the following figures are not strictly within the reporting year, they indicate the growth of the organisation on a Sector basis from 1 December 2005 to 1 December 2006:

Primary	0.5%	or	77 members
Secondary	-0.22%	or	- 29 members
Early Childhood	16.6	or	161 members
TAP	0.69%	or	- 22 members
TOTAL	0.58%	or	187 members

- (b) At 31/12/2006 the reporting unit employed 90 persons which translated to 78.54 equivalent full-time employees.

Members of Branch Council in 2006:

ELECTORATE	No per electorate	PRIMARY	No per electorate	SECONDARY	No per electorate	EARLY CHILDHOOD
SOUTH EAST 1 Doncaster / Warringal Inner East Greater Waverley	5	Brookes, Gillian Cooke, Jean Halden, Andrea Martini, Tania Waterman, Fran	5	Anastasiou, Tas Angus, Cheryl Steane, Valerie Stuart, Meg Tripp, Marita	7	Lappen, Debbie Raymond, Jane Vessey, Marian
SOUTH EAST 2 Outer Easter Yarra Valley Knox /Dandenong Ranges	5	Cassidy, Andrew Cassidy, Jenny Ebert, Sue Exton, John Pontin, Clive	4	De Gama, David O'Brien, Eileen	5	Cantwell, Kristin Lyons, Maree (Roberts, Melanie – resigned 19.4.06)
SOUTH EAST 3 Berwick/Pakenham/Cranbou rne/Wonthaggi South Eastern	4	Lylak, Nicole (from 28.7.06) (Hussey, Mick – resigned 3.3.06) Rothstadt, Kay Sharp, Kathy Vrondou, Chris	3	Glare, Dean McMeekin, Terry Paterson, John	4	Murray, Ann
SOUTH EAST 4 Longbeach/Moorabbin Frankston Peninsula	7	Davis, Nina Evison, Janet Farrelly, Rita Lee Ack, Donna Luebbbers, Barbara Svigos, Russell Woods, Wayne	4	Bryce, Andy Seltman, Heidi (appointed 28.7.06) Wright, Paul	7	Ayliffe, Grace Avard, Helander Anderson, Karen Barbuto, Doreen Simpkin, Jill Storer, Carly
NORTH WEST 1 Diamond Valley Latrobe/Plenty Inner City	4	Norris, Barbra Edmonds, Robert Patford, Kathryn Skinner, Gayle	5	Butler, Mick Merkenich, Mary Mullaly, Justin Rundle, Norrian Twiddy, Andrew	5	Evans, Bruna (resigned 12.9.06) Fitzgerald, Susan James, Diane
NORTH WEST 2 Inner West Werribee	3	Clancy, Carolyn Horvath, Eva Stokes, Briley – from 3.3.06	3	Gillies, Pepe Lovelock, Chris Skourdoumbis, Andrew	3	Grarock, Max

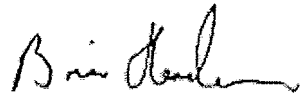
ELECTORATE	No per electorate	PRIMARY	No per electorate	SECONDARY	No per electorate	EARLY CHILDHOOD
NORTH WEST 3 Broadmeadows Maribyrnong Sunbury Melton	5	Biondi, Georgina Merlino, Robert Perry, Brendon Pontikis, Mary-Anne Ward, (nee Mitchell), Ann	5	Breen, Geoffrey Caust, David Cook, Philip D'Ortenzio, Marino (Ludbrook, Fiona – resigned 3.3.06) O'Neill, Patrick (from 28.7.06)	4	Armstrong, Anne (resigned 24.7.06) (Low, Catherine – resigned 9.2.06) Nowlan, Pauline (resigned 24.7.06) O'Dwyer, Dianne
BARWON SOUTH WEST 1 Geelong	2	Augerinos, Andrew Crockart, Ian	2	Collins, Liz Connoley, David – from 3.3.06	3	Gill, Linda (RESIGNED 20.4.06) King, Frances
BARWON SOUTH WEST 2 Colac Hamilton/Portland Warrnambool	2	Anderson, Anne Jacobs, Adrian (resigned 10.4.06) Clift, David (from 28.7.06)	2	Carroll, Emma (from 25.8.06) Martina, Peter	2	Davis, Gayle
CENTRAL HIGHLANDS WIMMERA 1 Ballarat	2	Farquhar, Reginald Schenk, Henny	1	Breen, John W	2	Embling, Bronwyn Wain, Monica
CENTRAL HIGHLANDS WIMMERA 2 Stawell Horsham	1		1	Lynne Sargent	1	
GIPPSLAND 1 West Gippsland South Gippsland	1	Bransgrove, James	1	Humphries, Jessie Ann	1	Brady, Lynne
GIPPSLAND 2 Latrobe Valley	1	Stringer, Angela	1	Gray, Jeff	1	Viney, William (resigned 7.8.06)
GIPPSLAND 3 Sale East Gippsland	1	Nicholas, Ross	1	Blake, Donald	1	Nunn, Josette
GOULBURN NORTH EAST 1 Benalla Seymour	1	Cunningham, Colleen	1	Patton, Felix – from 3.3.06	1	Heaps, Jennifer

ELECTORATE	No per electorate	PRIMARY	No per electorate	SECONDARY	No per electorate	EARLY CHILDHOOD
GOULBURN NORTH EAST 2 Kyabram Shepparton	1		1	Schear, Walder	1	Kirby, Juineta
GOULBURN NORTH EAST 3 Wodonga Wangaratta	1	Dews, Merrilyn	1	Morton, Patti – from 19.4.06	2	Jackson, Glenys
LODDON CAMPASPE MALLEE 1 Bendigo-Maryborough Castlemaine	2	Dunn, Lidia Underwood, Mathew	2	Dodgshun, Andrew Manning, Jack	2	
LODDON CAMPASPE MALLEE 2 Bendigo/Echuca Swan Hill	1	De Morton, Phillip	1		1	
LODDON CAMPASPE MALLEE 3 Mildura	1	Loftus, Keith	1	Donnelly, James	1	
ALLIED SUB-SECTOR	3	Benett, Andrew Foenander, Jan Lowe, Nicole	2	Jo Henry Barbara Vojtek		

TAP (TAFE SUB SECTOR)	No. per workplace	Councillors
Ballarat University	2	Bruce Kuhne Graham Hankin
Bendigo Regional Institute of TAFE	1	Greg Barclay
Box Hill Institute of TAFE	2	Fergus Hudson
Central Gippsland Institute of TAFE	1	Peter Sheehan
Chisholm Institute of TAFE	3	Roger Harris Karl Schneider Stephen Fisher
East Gippsland Community Institute of TAFE	1	Ann (Kathryn) Furphy
Gordon Institute of TAFE	2	Mark Hyde Rosemary Crowe
Goulburn Ovens Institute of TAFE	1	Mario Varricchio
Holmesglen Institute of TAFE	2	Helen Wiggins – resigned 3.3.06 Gary Padgham Karen McCoy – appointed 28.7.06
Kangan/Batman Institute of TAFE	2	Michael Devine
Northern Melbourne Institute of TAFE	2	Craig Jones Hank (Ian) Ferguson
RMIT - TAFE Division	3	Russell Edis, Mary Collins Gary Dickinson
South West Institute of TAFE		Tam Vistarini – resigned 19.2.06 Stuart Stephen – appointed 28.7.06
Sunraysia Institute of TAFE	1	Bryan McMullan
Swinburne Uni of Technology - TAFE Division	2	Kay Matthiesson Frank Lawlor
Victorian University of Technology - TAFE Div	3	Peter Moraitis, Leanne Glover-Richards
William Angliss Institute of TAFE	1	Robert Murray Lee
Wodonga Institute of TAFE	1	Phillip Browne
TAP (DISABILITY SERVICES SUB-SECTOR)	8	Rob Mottershead – from 3.3.06 Carmel Coogan – from 18.5.06 Renaë Cummins – from 18.5.06 Rebekah Jardine – from 28.7.06 4 Vacant posns
TAP (AMES SUB-SECTOR)	2	2 Vacant posns

Branch Officers;

Mary Bluett, Ann Taylor, Brian Henderson, Christine Stewart, Peter Steele, Mary Walker, Meredith Peace, John Fry, Rosalie Kinson, Shayne Quinn, Gillian Robertson, Rob Stewart



Brian Henderson
Branch Secretary

4 May 2007

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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN:44 673 398 674**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2006 there have been:

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

Name Of Firm CHARMAN PARTNERS



Name of Partner Mark Peter Barson

Date 4/5/07

Address Suite 4

10 - 12 Chapel Street

BLACKBURN VIC 3130

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN: 44 673 398 674

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
Sales revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Other revenues	2	13,684,770	13,153,740
Distribution expenses		-	-
Marketing expenses		-	-
Occupancy expenses		(760,971)	(1,295,247)
Administration expenses		(11,801,226)	(11,097,659)
Impairment of property plant and equipment		-	-
Finance costs	3	-	-
Other expenses		(7,094)	(16,529)
Share of net profits of associates and joint ventures		-	-
Impairment of financial assets		-	88,256
Profit before income tax		<u>1,115,479</u>	<u>832,561</u>
Profit attributable to members of the entity		<u><u>1,115,479</u></u>	<u><u>832,561</u></u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN: 44 673 398 674

BALANCE SHEET

AS AT 31 DECEMBER 2006

	Note	2006 \$	2005 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	3,731,784	3,021,460
Trade and other receivables	7	613,465	559,694
Other current assets	8	314,231	263,278
TOTAL CURRENT ASSETS		<u>4,659,480</u>	<u>3,844,432</u>
NON-CURRENT ASSETS			
Trade and other receivables	7	2,237,221	1,841,820
Financial assets	9	8,000,000	8,000,000
Property, plant and equipment	10	114,866	127,708
TOTAL NON-CURRENT ASSETS		<u>10,352,087</u>	<u>9,969,528</u>
TOTAL ASSETS		<u>15,011,567</u>	<u>13,813,960</u>
CURRENT LIABILITIES			
Trade and other payables	11	1,206,053	1,150,406
Short-term provisions	12	1,737,379	1,710,898
TOTAL CURRENT LIABILITIES		<u>2,943,432</u>	<u>2,861,304</u>
NON-CURRENT LIABILITIES			
Long-term provisions	12	-	-
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>2,943,432</u>	<u>2,861,304</u>
NET ASSETS		<u>12,068,135</u>	<u>10,952,656</u>
EQUITY			
Reserves		-	-
Retained earnings		12,068,135	10,952,656
TOTAL EQUITY		<u>12,068,135</u>	<u>10,952,656</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN: 44 673 398 674

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

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 1 January 2005	10,120,095	-	10,120,095
Profit attributable to members of entity	832,561	-	832,561
Sub-total	10,952,656	-	10,952,656
Dividends paid or provided for	-	-	-
Balance at 31 December 2005	10,952,656	-	10,952,656
Adjustment on prospective application of AASB139	-	-	-
Shares issued during the year	-	-	-
Profit attributable to members of entity	1,115,479	-	1,115,479
Revaluation increment	-	-	-
Sub-total	12,068,135	-	12,068,135
Dividends paid or provided for	-	-	-
Balance at 31 December 2006	12,068,135	-	12,068,135

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN: 44 673 398 674

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		13,436,941	12,987,122
Payments to suppliers and employees		(12,461,445)	(12,218,614)
Dividends received		-	-
Interest received		181,015	105,146
Finance costs		-	-
Income tax paid		-	-
Net cash provided by (used in) operating activities	15	<u>1,156,511</u>	<u>873,654</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		7,853	890
Proceeds from sale of investments		-	-
Purchase of property, plant and equipment		(58,638)	(80,211)
Purchase of investments		-	-
Loans to related parties			
— payments made		-	-
— proceeds from repayments		(395,402)	339,122
Net cash provided by (used in) investing activities		<u>(446,187)</u>	<u>259,801</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	-
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Dividends paid		-	-
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
Net increase in cash held		710,324	1,133,455
Cash at beginning of financial year		3,021,460	1,888,005
Cash at end of financial year	6	<u>3,731,784</u>	<u>3,021,460</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN: 44 673 398 674
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

Note 1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH as an individual entity.

The financial report of AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 January 2005.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Income Tax

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH is a trade union and no provision for income tax is necessary as trade unions are exempt from income tax under section 23(f) of the Income Tax assessment Act 1936.

(b) Property, Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount 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 entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10 - 40 %

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

(c) Leases

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

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

(d) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the entity are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

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

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(e) Impairment of Assets

At each reporting date, the entity 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 asset, 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.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

(f) Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related oncosts. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(g) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(h) Cash and Cash Equivalents

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

(i) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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

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

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

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(k) Goods and Services Tax (GST)

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

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(I) Comparative Figures

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

Critical accounting estimates and judgments

Management evaluates estimates and judgments 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 entity.

Key estimates — Impairment

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

Note 2 Revenue

	Note	2006 \$	2005 \$
Operating activities			
— membership subscriptions and levies		13,436,632	13,000,398
— dividends received	2(a)	-	-
— interest received	2(b)	181,015	105,146
— construction revenue		-	-
— services revenue		59,270	47,306
— other revenues from operating activities		-	-
Total Revenue		13,676,917	13,152,850
Non-operating activities			
— gain on disposal of property, plant and equipment		7,853	890
— gains on disposal of non-current investments		-	-
— other revenues from non operating activities		-	-
Other Income		7,853	890
(a) Dividend revenue from:			
— associated companies		-	-
— other corporations		-	-
— joint venture entities		-	-
Total dividend revenue		-	-
(b) Interest revenue from:			
— other related parties		-	-
— other persons		181,015	105,146
— directors		-	-
Total interest revenue		181,015	105,146

Note 3 Profit from Ordinary Activities

	2006 \$	2005 \$
(a) Expenses		
Affiliation fees	1,218,888	1,206,899
Finance costs:		
— Company	-	-
— Director related company	-	-
— Other persons	-	-
Total finance costs	-	-
Impairment of non-current investments to recoverable amount	-	-
Foreign currency translation losses	-	-
Bad and doubtful debts:		
— trade receivables	42	82
Total bad and doubtful debts	42	82
Rental expense on operating leases		
— minimum lease payments	-	-
— contingent rentals	-	-
— rental expense for sub-lease	-	-
Contingent rentals on finance leases	-	-
Research and development costs	-	-
(b) Significant Revenue and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
— impairment of financial assets	-	88,256

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Note 4 Key Management Personnel Compensation

	Short-term Benefits					Post Employment Benefit	Total \$
	Salary & Fees \$	Superannuation Contribution \$	Bonus \$	Non-Cash Benefits \$	Other \$	Long-term Benefits Long Service Leave \$	
2006							
Total compensation	1,083,269	162,006	-	45,709	-	8,385	1,299,369
2005							
Total compensation	992,101	152,707	115,125	40,307	-	33,143	1,333,383

Note 5 Auditors' Remuneration

	2006 \$	2005 \$
Remuneration of the auditor for:		
— auditing or reviewing the financial report	21,750	15,830
— taxation services	-	-
— due diligence services	-	-
— taxation services provided by related practice of auditor	-	-

Note 6 Cash and Cash Equivalents

	2006 \$	2005 \$
Cash at bank and in hand	445,185	1,554,458
Short-term bank deposits	3,286,599	1,467,002
	<u>3,731,784</u>	<u>3,021,460</u>

The effective interest rate on short-term bank deposits was 6.4% (2005: 5.7%); these deposits have an average maturity of 45 days.

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

	2006	2005
Cash and cash equivalents	3,731,784	3,021,460
Bank overdrafts	-	-
	<u>3,731,784</u>	<u>3,021,460</u>

Note 7 Trade and Other Receivables

	2006 \$	2005 \$
CURRENT		
Trade receivables	60,917	47,482
Provision for impairment of receivables	-	-
	<u>60,917</u>	<u>47,482</u>
Amounts due from customers for construction contracts	-	-
Other receivables	552,548	512,212
Other related parties	-	-
	<u>613,465</u>	<u>559,694</u>
NON-CURRENT		
Amounts Receivable	2,237,221	1,841,820
Provision for impairment of receivables	-	-
	<u>2,237,221</u>	<u>1,841,820</u>

Note 8 Other Assets

	2006 \$	2005 \$
CURRENT		
Calls in arrears	-	-
Prepayments	314,231	263,278
	<u>314,231</u>	<u>263,278</u>

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Note 9 Financial Assets

	2006 \$	2005 \$
Available-for-sale financial assets	8,000,000	8,000,000
Available-for-sale financial assets comprise:		
Listed investments		
— shares in listed corporations, at fair value	-	-
— shares in listed corporations, at cost	-	-
Unlisted investments, at fair value	-	-
Unlisted investments, at cost		
— shares in associates	8,000,000	8,000,000
— interest in joint venture entities	-	-
	<u>8,000,000</u>	<u>8,000,000</u>
Total available-for-sale financial assets	<u>8,000,000</u>	<u>8,000,000</u>

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

Note 10 Property, Plant and Equipment

	2006 \$	2005 \$
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	287,935	290,883
Accumulated depreciation	(173,069)	(163,175)
Accumulated impairment losses	-	-
	<u>114,866</u>	<u>127,708</u>
Total plant and equipment	<u>114,866</u>	<u>127,708</u>
Total property, plant and equipment	<u>114,866</u>	<u>127,708</u>

(a) Movements in Carrying Amounts

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

	Plant and Equipment \$	Total \$
Balance at the beginning of year	127,708	127,708
Additions	58,638	58,638
Disposals	61,586	61,586
Additions through acquisition of company	-	-
Revaluation increments/(decrements)	(61,586)	(61,586)
Depreciation expense	(71,480)	(71,480)
Capitalised borrowing cost and depreciation	-	-
Carrying amount at the end of year	<u>114,866</u>	<u>114,866</u>

(b) Impairment Losses

The total impairment loss recognised in the income statement during the prior period amounted to Nil and is separately presented in the income statement as impairment of property plant and equipment.

Note 11 Trade and Other Payables

	2006 \$	2005 \$
CURRENT		
Unsecured liabilities		
Unearned income - members' subscriptions paid in advance	424,665	429,855
Sundry payables and accrued expenses	566,114	569,091
Net GST liability	215,274	151,460
	<u>1,206,053</u>	<u>1,150,406</u>

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NOTES TO THE FINANCIAL STATEMENTS
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Note 12 Provisions

	2006	2005
CURRENT		
Long-term Employee Benefits	\$	\$
Opening balance at beginning of year	1,710,898	1,574,136
Additional provisions raised during year	26,481	136,762
Amounts used	-	-
Balance at end of the year	<u>1,737,379</u>	<u>1,710,898</u>
NON-CURRENT		
Long-term Employee Benefits		
Opening balance at beginning of year	-	-
Additional provisions raised during year	-	-
Amounts used	-	-
Balance at end of the year	<u>-</u>	<u>-</u>
	2006	2005
Analysis of Total Provisions	\$	\$
Current	1,737,379	1,710,898
Non-current	-	-
	<u>1,737,379</u>	<u>1,710,898</u>

Provision for Long-term Benefits

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

Note 13 Capital and Leasing Commitments

	2006	2005
	\$	\$
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable — minimum lease payments		
— not later than 12 months	272,422	222,369
— between 12 months and five years	284,580	272,529
— greater than five years	-	-
	<u>557,002</u>	<u>494,898</u>

Note 14 Contingent Liabilities and Contingent Assets

	2006	2005
	\$	\$
Estimates of the potential financial effect of contingent liabilities that may become payable:		
Other		
Autopay arrangement	<u>180,000</u>	<u>180,000</u>

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Note 15 Cash Flow Information

	2006	2005
	\$	\$
(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	1,115,479	832,561
Non-cash flows in profit		
Depreciation	71,480	71,830
Impairment of financial assets	-	(88,256)
Net gain on disposal of property, plant and equipment	(7,853)	(890)
Net gain on disposal of investments	-	-
 Changes in assets and liabilities		
Increase/(decrease) in trade and term debtors	(53,771)	(47,126)
Decrease in other assets	(50,953)	(98,607)
(Increase)/decrease in payables	55,647	67,379
Increase/(decrease) in provisions	26,482	136,763
	<u>1,156,511</u>	<u>873,654</u>
 (b) Non-cash Financing and Investing Activities		
Property, plant and equipment:		
During the financial year, the company acquired plant and equipment with an aggregate fair value of nil (2005: nil) by means of hire purchase agreements.		
 (c) Credit Stand by Arrangement and Loan Facilities		
The company has a bank overdraft and commercial bill facility amounting to nil (2005: nil)		

Note 16 Events After the Balance Sheet Date

- (a) No known matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the entity's operations, the results of those operations or the state of affairs of the entity in subsequent financial years.
- (b) The financial report was authorised for issue on 4 May 2007 by the management.

Note 17 Information to be provided to Members or Registrar

In accordance with requirements of the Workplace Relations Act 1996, as amended, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of section 272 which read as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under sub-section (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- (3) A Registrar may only make an application under sub-section (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

Note 18 Officers Remuneration

In accordance with the Reporting Guidelines made under s255 of the ROA Schedule at paragraph 11(g) employee benefits to holders of office of the reporting unit for the year ended 31 December 2006 was \$1,299,369.

In accordance with the Reporting Guidelines made under s255 of the ROA Schedule at paragraph 11(h) employee benefits to employees (other than holders of office) of the reporting unit for the year ended 31 December 2006 was \$4,854,394.

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Note 19 Levies

Public Education Campaign Levy

The 1997 Branch Conference determined that a levy of all members be struck in accordance with AEU Federal Rules for the purpose of funding the AEU Victorian Branch's Public Education Campaign.

A separate fund has been established for this purpose.

The levy was set at \$20 p.a. for members employed 0.6 and above and \$10 for members employed 0.5 or below.

The levy applied for three years commencing on 3rd August 1997. On 5th August 2000 Branch Conference decided to continue the levy in its present form until the end of the calendar year 2003. On 19th July 2003 Branch Conference extended the levy in its present form until the end of the calendar year 2006.

	2006	2005
	\$	\$
Opening Balance	505,191	304,848
Add funds collected from levy	616,408	577,543
Add donation and interest income	10,786	18,289
	<hr/> 627,194	<hr/> 595,832
Total funds available	1,133,385	900,680
Less amounts paid for Public Education purposes	<hr/> (1,034,384)	<hr/> (395,489)
Funds available for Public Education campaign purposes as at 31 December	<hr/> 99,001	<hr/> 505,191
Public Education bank account at year end	<hr/> 12,385	<hr/> 618,599
Add amounts under/(over) remitted to Public Education account by AEU Vic Branch	<hr/> 86,616	<hr/> (113,408)
	<hr/> <hr/> 99,001	<hr/> <hr/> 505,191

Source of funds

Excess of income over campaign spending	-	200,343
Reduction in bank account	606,214	-
Increase in amount owing by Public Education Campaign to AEU Vic Branch	-	113,408
Reduction in amount owing by AEU Vic Branch to Public Education Campaign	<hr/> -	<hr/> 4,538
	<hr/> 606,214	<hr/> 318,289

Application of funds

Excess of campaign spending over income	406,190	-
Reduction of amount owing to AEU Vic Branch	113,408	-
Increase in amount owed by AEU Vic Branch	86,616	-
Increase in bank account	<hr/> -	<hr/> 318,289
	<hr/> 606,214	<hr/> 318,289

Certified Agreement Levy

Branch Council on 20th March 1999 determined that a levy of all members in the primary and secondary sectors be struck in accordance with AEU Federal Branch rules for the purpose of funding the AEU Victorian Branch's Certified Agreement Campaign.

A separate fund was established for this purpose.

The levy was set at \$100 per primary or secondary member with pro rata amounts applied to those employed part time.

The levy was due and payable by 30th June 1999.

	2006	2005
	\$	\$
Opening Balance	22,672	21,576
Add donation and interest income	700	1,096
Total funds available	<hr/> 23,372	<hr/> 22,672
Less amounts paid for Certified Agreement Levy purposes	-	-
Funds available for Certified Agreement Levy purposes as at 31 December	<hr/> 23,372	<hr/> 22,672
Certified Agreement Levy bank account at year end	<hr/> 10,654	<hr/> 23,954
Add amounts under/(over) remitted to Certified Agreement Levy account by AEU Vic Branch	<hr/> 12,718	<hr/> (1,282)
	<hr/> <hr/> 23,372	<hr/> <hr/> 22,672

Source of funds

Reduction in bank account	13,300	-
Reduction in amount owing by AEU Vic Branch/Increase in amount owed to AEU Vic Branch	-	-
Donation and interest income	700	1,096
	<hr/> 14,000	<hr/> 1,096

Application of funds

Campaign spending	-	-
Increase in bank account	-	1,096
Increase in amounts owed by AEU Vic Branch	<hr/> 14,000	<hr/> -
	<hr/> <hr/> 14,000	<hr/> <hr/> -1,096

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Note 20 Financial Instruments

(a) Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bills and leases.

The main purpose of non-derivative financial instruments is to raise finance for the entity's operations.

The entity does not have any derivative instruments at 31 December 2006.

Financial Risks

The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

At 31 December 2006 the entity has no debt incurring interest cost. For further details on interest rate risk refer to Note 20(b).

Foreign currency risk

The entity is not exposed to fluctuations in foreign currencies.

Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

Price risk

The entity is not exposed to any material commodity price risk.

(b) Interest Rate Risk

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Within Year		Fixed Interest Rate Maturing 1 to 5 years		Non-interest Bearing		Total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:												
Cash and cash equivalents	4.14	4.66	439,509	1,551,244	-	-	-	-	-	-	439,509	1,551,244
Receivables	0.00	0.00	-	-	-	-	-	-	2,850,686	2,401,514	2,850,686	2,401,514
Investments	6.44	5.69	-	-	3,286,599	1,467,002	-	-	-	-	3,286,599	1,467,002
Total Financial Assets			439,509	1,551,244	3,286,599	1,467,002	-	-	2,850,686	2,401,514	6,576,794	5,419,760
Financial Liabilities:												
Bank overdraft secured	-	-	-	-	-	-	-	-	-	-	-	-
Bank bills secured	-	-	-	-	-	-	-	-	-	-	-	-
Bank loan secured	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-	-	-	1,206,053	1,150,406	1,206,053	1,150,406
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities			-	-	-	-	-	-	1,206,053	1,150,406	1,206,053	1,150,406

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(c) Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date

	2006		2005	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial assets				
Available for sale financial assets at fair value	8,000,000	8,000,000	8,000,000	8,000,000
Loans and receivables	2,850,686	2,850,686	2,401,514	2,401,514
	<u>10,850,686</u>	<u>10,850,686</u>	<u>10,401,514</u>	<u>10,401,514</u>
Financial liabilities				
Bank overdraft secured	-	-	-	-
Bank bills secured	-	-	-	-
Bank loan secured	-	-	-	-
Trade and other payables	1,206,053	1,206,053	1,150,406	1,150,406
Lease liabilities	-	-	-	-
	<u>1,206,053</u>	<u>1,206,053</u>	<u>1,150,406</u>	<u>1,150,406</u>

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Note 21 Detailed Income and Expenditure Statement

	Note	2006 \$	2005 \$
INCOME			
Certified Agreement levy	19	700	1,096
Interest		181,015	105,146
Membership subscriptions		12,808,738	12,403,470
Other income		59,270	47,306
Profit/(Loss) on sale of furniture & fittings		7,853	890
Public Education Campaign levy	19	627,194	595,832
TOTAL INCOME		13,684,770	13,153,740
EXPENSES			
Affiliation Fees		1,218,888	1,206,899
Campaigns - Certified Agreement levy	19	-	-
- Other campaigns		101,457	54,897
- Public Education Campaign levy	19	1,034,384	395,489
Communications: telephone, fax & internet		135,576	122,456
Conferences - Annual conference		7,799	4,433
- Other conferences & forums		50,812	35,925
Donations		1,802	10,112
Equipment - Furniture, computer & equipment sundry items		208,197	81,143
- Depreciation		71,480	71,830
- Lease & rental costs		86,648	82,537
- Maintenance of computers & equipment		27,935	32,379
Functions & farewells		6,918	6,671
Legal expenses		270,821	229,241
Library/information services		21,499	25,400
Membership services		358,319	338,572
Motor vehicle fleet costs		459,233	445,119
Miscellaneous		3,267	4,366
Office Expenses - Audit		21,750	15,830
- Bad debts written off		42	82
- Bank charges		1,983	1,969
- Office requisites & paper		55,658	60,399
- Postage		45,312	28,567
- Subscription collection costs		68,879	61,054
Publications		358,696	382,594
Regional offices: rent, rates, telephone, etc		142,186	139,020
Rent & outgoing: Trennery Crescent		385,298	1,027,360
Salaries - Annual leave		(19,685)	55,079
- Fringe benefits tax		92,010	86,201
- Insurance		47,516	56,555
- Leadership & others		5,194,354	4,849,457
- Long service leave		47,260	90,709
- Other salary costs		104,047	63,253
- Payroll tax		335,528	332,057
- Sick leave		-	32,288
- Staff benefits reserve		367,320	744,580
- Superannuation		838,963	804,054
- Training		42,365	43,169
- Workcover		115,399	125,476
Structures		212,923	216,566
Travel expenses		46,452	45,647
TOTAL EXPENSES		12,569,291	12,409,435
OPERATING SURPLUS/(LOSS) BEFORE ABNORMAL ITEMS		1,115,479	744,305
ABNORMAL ITEM			
Impairment of financial assets	3	-	88,256
SURPLUS/(LOSS) AND ABNORMAL ITEM FOR THE YEAR		1,115,479	832,561

Note 22 Entity Details

The registered office of the company is:
AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
112 Trennery Crescent
ABBOTSFORD VIC 3067

The principle place of business is:
AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
112 Trennery Crescent
ABBOTSFORD VIC 3067



AUSTRALIAN EDUCATION UNION

Victorian Branch

112 Trenerry Crescent Abbotsford 3067

PO Box 363 Abbotsford 3067

telephone: 03 9417 2822: 1800 013 379 fax: 03 9417 6198 web: www.aeuvic.asn.au email: melbourne@aeuvic.asn.au

COMMITTEE OF MANAGEMENT STATEMENT

On 4 May 2007 the Committee of Management of the Australian Education Union Victorian Branch being the AEU Victorian Branch Council passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2006.

The AEU Victorian Branch Council declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the 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 reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) we are not aware of whether 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 f the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) no orders have been made by the Commission under section 273 of the RAO Schedule during the period.

For Committee of Management:

Title of Office held:

Brian John Henderson

Branch Secretary

Signature: _____

Date:

4 / 5 / 2007

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
ABN 44 673 398 674****AUDIT REPORT TO THE MEMBERS OF
AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH**

We have audited the financial report of the Australian Education Union Victorian Branch for the financial year ended 31st December 2006. The financial report includes the financial statements of the Union. The Committee of Management is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Union.

Our audit has been conducted in accordance with the Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is represented fairly in accordance with the Accounting Standards and other mandatory professional reporting requirements and the Workplace Relations Act 1996 so as to present a view which is consistent with our understanding of the Union's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional and ethical pronouncements and the Corporations Act 2001.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration, as set out following the operating report, has not changed as at the date of providing our audit opinion.

Audit Opinion

In our opinion, the general purpose financial report of Australian Education Union Victorian Branch presents fairly the financial position of Australian Education Union Victorian Branch as at 31 December 2006 and the results of its operations and its cash flows for the financial year then ended, in accordance with any of the following that apply in relation to the reporting unit:

- (a) the Australian Accounting Standards; and
- (b) the requirements imposed by Part 3 of Chapter 8 of the Schedule 1B of the Workplace Relations Act 1996.

**Charman Partners****Partner : Mark Peter Barson****Registered Company Auditor****Date : 14 May 2007**

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