



# Fair Work Australia

16 July 2009

Mr Brian Henderson  
Branch Secretary  
Australian Education Union  
Victorian Branch

Email: [melbourne@aeuvic.asn.au](mailto:melbourne@aeuvic.asn.au)

Dear Mr Henderson,

**Re: Financial Report for the Australian Education Union, Victorian Branch  
for year ended 31 December 2008 – FR2008/627  
Fair Work (Registered Organisations) Act 2009**

I acknowledge receipt of the financial report of the Victorian Branch of the Australian Education Union for the year ended 31 December 2008. The documents were lodged with the Registry on 23 June 2009.

The financial report has now been filed.

Yours Sincerely,

A handwritten signature in black ink, appearing to be "Thomas Hobbs", written over a horizontal line.

Thomas Hobbs  
Tribunal Services and Organisations



# 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](http://www.aeuvic.asn.au) email: [melbourne@aeuvic.asn.au](mailto:melbourne@aeuvic.asn.au)

22 June 2009



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 2008**

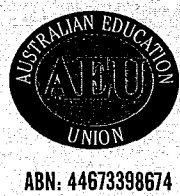
The full report was presented to Branch Council at its meeting on 19 June 2009.

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

Yours sincerely

**Brian Henderson**  
*Branch Secretary*





# 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](http://www.aeuvic.asn.au) email: [melbourne@aeuvic.asn.au](mailto:melbourne@aeuvic.asn.au)

### 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 29 May 2009; 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 19 June 2009; in accordance with section 266 of the RAO Schedule.

Signature:

  
\_\_\_\_\_  
(Branch Secretary)

Date:

19/06/09



**AUSTRALIAN EDUCATION UNION  
VICTORIAN BRANCH**

**ABN: 44 673 398 674**

**Annual Financial Report For The Year Ended  
31 December 2008**

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

**31 December 2008**

**ABN: 44 673 398 674**

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## OPERATING REPORT FOR THE 2008 FINANCIAL YEAR AEU VICTORIAN BRANCH

### Principal Activities

The schools sectors were involved in two major activities. The first was the Schools teachers' campaign for a Certified Agreement that saw industrial action taken on February 14. This was followed by 36 four hour stoppages taken in regions across the State. This action was supported in unprecedented numbers by teachers and saw the Government finally agree to a new agreement in May 2008. The second was the union's campaign to achieve a Certified Agreement for School Support Officers in Government schools. This involved a very successful statewide campaign which saw an agreement reached on 15 October, 2008.

In the TAFE sector the union took stopwork action on August, 20. This was followed by 19 four hour stoppages and another stopwork on November 25. By the end of 2008 an agreement in principle had been reached with the details to be worked out during the major term break.

In 2008 the AEU has continued its efforts in the negotiation of new enterprise agreements for our members who work in the ATSS or day programs of the disability service covered by part 1 of the award. 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 having 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 has been in negotiations with the employers but little or no progress has been made.

The following significant submissions were lodged during the year:

- AEU State Budget Submission 2008 - 2009 February, 2008;
- AEU submission to the Victorian Parliamentary Inquiry into geographical differences in the rate in which Victorian students participate in higher education. April 2008;
- AEU response to the State Government's Blueprint 2 Discussion Papers. May 2008.

Significant resources continue to be 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 2008 State Budget



## Recruitment

In 2008 we maintained strong recruitment levels as the following table demonstrates.

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
2008	496	3031	511	638	515	351	283	559	319	353	384	626	8,066

## Financial Affairs

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

In 2008 \$5 million was invested in term deposits with compounding interest. This represents a further strengthening of our financial position. With careful management and continuing increases in membership levels, the financial viability of the organisation will continue to grow steadily in future years.

In 2008 the net profit from ordinary activities was \$ 521,913 compared to \$808,802 in 2007. On the income side, membership subscriptions, including PEC levies, increased by over \$1.5 million. Interest received increased by close to \$0.1 million. On the expense side, campaign costs and Public Education campaign costs increased about \$0.56 million and publication costs increased by about \$0.21 million. These increases mainly related to our heavy commitment to our Certified Agreement campaigns in schools and TAFE. Membership Services costs increased by about \$0.71 million mainly related to our active recruitment policies.

The TFV Building was revalued in 2007 from \$12.5 million to its current \$14.75 million.

Put in context, our current cash assets represent about 5 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. We are achieving 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 important that any changes in staffing levels can be sustained by a growth in the membership base.

## 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 the three 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 33,824 members and ended with 38, 371 members which represent an increase of 4547 (13.44%) members in the reporting year.

The following figures indicate the growth of the organisation on a Sector basis from 1 January 2008 to 31 December 2008:

Primary	11.18%	or	1788 members
Secondary	9.38%	or	1276 members
Early Childhood	0.8%	or	9 members
TAP	47.24%	or	1474 members
<b>TOTAL</b>	<b>13.44%</b>	<b>or</b>	<b>4547 members</b>

- (b) At 31/12/2008 the reporting unit employed 83 persons which translated to 72.2263 equivalent full-time employees (55 Full time, 17.2263 Part time).

**Members of Branch Council in 2008:**

<b>ELECTORATE</b>	<b>No per elector ate</b>	<b>PRIMARY</b>	<b>No per elector ate</b>	<b>SECONDARY</b>	<b>No per elector ate</b>	<b>EARLY CHILDHOOD</b>
SOUTH EAST 1 Doncaster / Warringal Inner East Greater Waverley	5	Brookes, Gillian Cassidy, Andrew Cooke, Jean Drake, Raymond (resigned 1.9.08) Halden, Andrea	4	Anastasiou, Tas Angus, Cheryl Steane, Valerie Tripp, Marita	7	Lappen, Debbie Raymond, Jane Vessey, Marian
SOUTH EAST 2 Outer Easter Yarra Valley Knox /Dandenong Ranges	5	Andrews, Deborah Ashton, Steve Cassidy, Jenny Murphy, Brendan (from 14.3.08) Pontin, Clive	3	Carlos, Bronwyn (from 24.10.08) De Gama, David Grayden, Tony (from 30.5.08 – resigned 1.10.08) O'Brien, Eileen Rudd, Paul (resigned 29.1.08)	5	Kapoor, Madhu (from 24.10.08) Lyons, Maree
SOUTH EAST 3 Berwick/Pakenham/Cranbourne/Wonthaggi South Eastern	4	Lylak, Nicole Rothstadt, Kay Sharp, Kathy Vrondou, Chris	4	Aulich, Erin (resigned 29.1.08) Crotty, Judith Glare, Dean Hurling, Angela (from 14.03.08) McMeekin, Terry (resigned 3.9.08) Scott, Ann (from 24.10.08)	4	Geritz (Ayliffe), Grace Murray, Ann Patrick, Sue

ELECTORATE	No per elector ate	PRIMARY	No per elector ate	SECONDARY	No per elector ate	EARLY CHILDHOOD
SOUTH EAST 4 Longbeach/Mo orabbin Frankston Peninsula	6	Chase, Irene (resigned 1.2.08) Farrelly, Rita Luebbers, Barbara Svigos, Russell Stokes, Jennifer Woods, Wayne	4	Bryce, Andy Denehey, Carole Seltman, Heidi Wright, Paul (retired 30.11.08)	8	Anderson, Susan Avard, Helander Barbuto, Doreen Simpkin, Jill Storer, Carly (resigned 28.2.08) Williams, Karen
NORTH WEST 1 Diamond Valley Latrobe/Plenty Inner City	4	Norris, Barbra Ghiotti, Beth Gough, Jane (from 30.5.08 and resigned 16.7.08) Peeters, Aaron (resigned Aug 2008) Cohen, Daniel (from 12.9.08) Atkinson, An thony (from 12.9.08)	5	Butler, Mick Finlay, Kirsten Fry, John Merkenich, Mary Rundle, Norrian	6	Fitzgerald, Susan James, Diane Nunn, Josette (from 14.3.08) Ralton, Stephanie
NORTH WEST 2 Inner West Werribee	3	Duncan, Briley Menhennet, Shelley Winton, Kathy	3	Lovelock, Chris Peterson, Andrew Skourdoumbis, Andrew (resigned 31.1.08) Maureen O'Flaherty (from 14.03.08)	4	Bourke, Nicole (resigned 22.2.08) Garrock, Max

ELECTORATE	No per elector ate	PRIMARY	No per elector ate	SECONDARY	No per elector ate	EARLY CHILDHOOD
NORTH WEST 3 Broadmeadows Maribyrnong Sunbury Melton	5	Biondi, Georgina (resigned 29.1.08) Pontikis, Mary-Anne Pope, Kevin Walker, Peter (from 30.5.08) Woodward, Rebecca Horvath, Eva (resigned 13.4.08) Pamela Perry (from 8.8.08)	4	Breen, Geoffrey Cook, Philip O'Neill, Patrick D'Ortenzio, Marino	5	Ahyick, Voula (from 24.10.08) Bourke, Nicole (from 14.3.08) O'Dwyer, Dianne
BARWON SOUTH WEST 1 Geelong	2	Augerinos, Andrew Crockart, Ian	2	Crawford, Megan Mantelli, Ubaldino	3	Barker, Kristine
BARWON SOUTH WEST 2 Colac Hamilton/Portland Warrnambool	2	Anderson, Anne Clift, David	2	Martina, Peter Martin Rieniets (from 14.3.08)	2	Davis, Gayle
CENTRAL HIGHLANDS WIMMERA 1 Ballarat	2	Farquhar, Reginald Schenk, Henny	1	Aitken, Catherine	2	Embling, Bronwyn Wain, Monica
CENTRAL HIGHLANDS WIMMERA 2 Stawell Horsham	1		1	Kuchel, Robyn	1	
GIPPSLAND 1 West Gippsland South Gippsland	1	Hussey, Mick	1	Humphries, Jessie Ann	2	Brady, Lynne
GIPPSLAND 2 Latrobe Valley	1	Stringer, Angela	1	Ross Jackson	1	
GIPPSLAND 3 Sale East Gippsland	1	Nicholas, Ross	1	Kell, Matthew	1	Nunn, Josette (resigned 17.2.08)

ELECTORATE	No per elector ate	PRIMARY	No per elector ate	SECONDARY	No per elector ate	EARLY CHILDHOOD
GOULBURN NORTH EAST 1 Benalla Seymour	1	Cunningham, Colleen	1	Patton, Felix	2	Heaps, Jennifer
GOULBURN NORTH EAST 2 Kyabram Shepparton	1	Coghlan, Kellie	1	Schear, Walder (from 30.5.08 resigned 26.2.09))	1	Kirby, Juineta
GOULBURN NORTH EAST 3 Wodonga Wangaratta	1	Dews, Merrilyn	1	Morton, Patti	1	
LODDON CAMPASPE MALLEE 1 Bendigo- Maryborough Castlemaine	2	Dunn, Lidia (resigned 16.6.08) Lewis, Marg (from 14.3.08) Barbara Reidy (from 8.8.08)	2	Dodgshun, Andrew (resigned 26.1.08) Manning, Jack Jan Boyle (from 14.03.08)	1	
LODDON CAMPASPE MALLEE 2 Bendigo/Echuc a Swan Hill	1	De Morton, Phillip	1		1	
LODDON CAMPASPE MALLEE 3 Mildura	1	Bell, John (from 14.3.08)	1	Donnelly, James	2	Groszmann, Antionette (Krystal) Hart, Sophie
ALLIED SUB-SECTOR	5	Foenander, Jan Ganosis, Sylvia Lahiff, Alida Tenson, Katrina Wright, Joanna	3	Henry, Jo Macardy, Rae Vojtek, Barbara		

**TAFE, DISABILITY AMES - SECTOR COUNCILLORS**

<b>TAFE SUB SECTOR</b>	<b>No. per workpla ce</b>	<b>Councillors</b>
Ballarat University	1	Joanne Fogarty
Bendigo Regional Institute of TAFE	1	Greg Barclay
Box Hill Institute of TAFE	2	Fergus Hudson, Peter Ryan
Central Gippsland Institute of TAFE	1	Peter Sheehan
Chisholm Institute of TAFE	3	Stephen Fisher Alex Nissen (from 14.03.08) Peter Malone (from 14.03.08)
East Gippsland Community Institute of TAFE	1	Ann 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 1 Vacancy
Kangan/Batman Institute of TAFE	2	Michael Devine, Rob Bonner (from 24.10.08)
Northern Melbourne Institute of TAFE	2	Craig Jones Yolanda Ingley-Crawley (from 14.03.08)
RMIT - TAFE Division	3	Russell Edis, Gary Dickinson (resigned 31.1.08) Mary Collins Peter Murphy (from 14.03.08)
South West Institute of TAFE	1	Stuart Stephen
Sunraysia Institute of TAFE	1	Bryan McMullan (resigned 2.9.08) Ray Cadmore (from 24.10.08)
Swinburne Uni of Technology - TAFE Division	2	Frank Lawlor George Ulehla (from 18.7.08)
Victorian University of Technology - TAFE Div	3	Peter Moraitis, Paul Ashton Leanne Glover-Richards
William Angliss Institute of TAFE	1	Rob Murraylee (resigned 11.2.08) Marylouise Chapman (from 14.03.08)
Wodonga Institute of TAFE	1	Phillip Browne (resigned 8.2.08) Ian Lack (from 2.5.08)
<b>DISABILITY SERVICES</b>	8	Carmel Coogan Renaë Cummins Kathleen Richardson (from 8.8.08) Terry Hurley (from 8.8.08) Ben Owen (from 8.8.08) Amanda Wickham (from 8.8.08) Sarah Chambers (from 8.8.08 resigned 20.10.08))
<b>AMES</b>	2	2 Vacant posns

**AEU VICTORIAN BRANCH**  
**BRANCH COUNCIL 2008**

Entitlement:

All Primary Sector Councillors	54
All Secondary Sector Councillors	46
TAFE & Adult Provision Sector -	11 (incl Disb and AMES quota)
- Disability Services – 2	
- AMES sub-sector – 1	
Early Childhood Sector -	4
Elected Leadership	12

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**TAFE Sub-Sector (8 positions)**

CROWE	Rosemary
HYDE	Mark
JONES	Craig
McMULLAN	Bryan resigned 2.9.08
SHEEHAN	Peter
VARRICCHIO	Mario

**2 Vacancies**

**Disability Services Sub-Sector (2 positions)**

CUMMINS	Renaë
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**1 Vacancy**

**AMES Sub-Sector (1 position)**

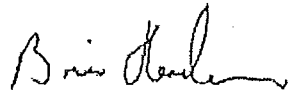
**1 Vacancy**

**Early Childhood Sector**

GERITZ	Grace
GRAROCK	Max
MURRAY	Ann
O'DWYER	Dianne

**Branch Officers;**

Mary Bluett, Ann Taylor, Brian Henderson, Christine Stewart, Peter Steele, Carolyn Clancy, Meredith Peace, Justin Mullally, Shayne Quinn, Martel Menz, Gillian Robertson, Rob Stewart.



**Brian Henderson**

**Branch Secretary**

13 May, 2009



**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH**  
**ABN: 44 673 398 674**  
**INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 \$	2007 \$
Revenue	2	15,940,930	14,312,192
Other income	2	533	370
Changes in inventories of finished goods and work in progress		-	-
Raw materials and consumables used		-	-
Employee benefits expense		-	-
Freight and cartage		-	-
Occupancy expenses		(747,611)	(946,860)
Administration expenses		(14,553,441)	(12,446,505)
Depreciation and amortisation expenses		(66,675)	(95,665)
Commissions paid		-	-
Impairment of property, plant and equipment		-	-
Finance costs	3	-	-
Other expenses		(51,823)	(14,730)
Share of net profits of associates and joint ventures		-	-
Profit before income tax		<u>521,913</u>	<u>808,802</u>
Profit attributable to members of the entity		<u>521,913</u>	<u>808,802</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 2008**

	Note	2008 \$	2007 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	5,600,565	4,491,272
Trade and other receivables	7	950,440	745,894
Other current assets	8	220,616	317,164
<b>TOTAL CURRENT ASSETS</b>		<u>6,771,621</u>	<u>5,554,330</u>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	7	1,770,218	1,816,358
Financial assets	9	8,000,000	8,000,000
Property, plant and equipment	10	126,829	122,364
<b>TOTAL NON-CURRENT ASSETS</b>		<u>9,897,047</u>	<u>9,938,722</u>
<b>TOTAL ASSETS</b>		<u>16,668,668</u>	<u>15,493,052</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	1,438,907	923,011
Short-term provisions	12	1,830,911	1,693,104
<b>TOTAL CURRENT LIABILITIES</b>		<u>3,269,818</u>	<u>2,616,115</u>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	11	-	-
Long-term provisions	12	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>3,269,818</u>	<u>2,616,115</u>
<b>NET ASSETS</b>		<u>13,398,850</u>	<u>12,876,937</u>
<b>EQUITY</b>			
Reserves		-	-
Retained earnings		13,398,850	12,876,937
<b>TOTAL EQUITY</b>		<u>13,398,850</u>	<u>12,876,937</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 2008**

	Note	Retained Earnings	Reserves	Total
		\$	\$	\$
<b>Balance at 1 January 2007</b>		12,068,135		12,068,135
Profit attributable to members		808,802		808,802
Transfers to and from reserves				
— general reserve		-		-
Transfers from retained profits		-		-
<b>Sub-total</b>		12,876,937	-	12,876,937
Dividends paid or provided for		-		-
<b>Balance at 31 December 2007</b>		12,876,937	-	12,876,937
Profit attributable to members		521,913		521,913
Revaluation increment / (decrement)				-
<b>Sub-total</b>		13,398,850	-	13,398,850
Dividends paid or provided for		-		-
<b>Balance at 31 December 2008</b>		13,398,850	-	13,398,850

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 2008**

	Note	2008 \$	2007 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		15,386,830	13,687,496
Payments to suppliers and employees		(14,628,697)	(13,531,123)
Dividends received		-	-
Interest received		375,627	285,045
Finance costs		-	-
Income tax paid		-	-
Net cash provided by operating activities	15	<u>1,133,760</u>	<u>441,418</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		533	370
Proceeds from sale of investments		-	-
Purchase of property, plant and equipment		(71,140)	(103,163)
Purchase of investments		-	-
Loans to related parties		-	-
— payments made		-	-
— proceeds from repayments		46,140	420,863
Net cash used in investing activities		<u>(24,467)</u>	<u>318,070</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
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 (decrease) increase in cash held		1,109,293	759,488
Cash at beginning of financial year		4,491,272	3,731,784
Cash at end of financial year	6	<u>5,600,565</u>	<u>4,491,272</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 2008**

**Note 1 Statement of Significant Accounting Policies**

The financial report is for the entity Australian Education Union - Victorian Branch, as an individual entity. This organisation is registered under the Workplace Relations Act 1996 and domiciled in Australia. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union is not subject to the Corporations Act 2001.

**Basis of Preparation**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements imposed by the reporting guidelines of Part 3 of Chapter 8 of Schedule 16 of the Workplace Relations Act, 1996.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**Reporting Basis and Conventions**

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

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

**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 as indicated 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.

**Depreciation**

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

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.

**(d) Financial Instruments**

**Recognition and Initial Measurement**

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

**Classification and Subsequent Measurement**

**(i) Financial assets at fair value through profit or loss**

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

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**(ii) 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 subsequently measured at amortised cost using the effective interest rate method.

**(iii) Held-to-maturity investments**

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

**(iv) Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

**(v) Financial Liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

**(vi) 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.

**(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 company 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 on-costs. 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 and Other Income**

Revenue from membership subscriptions are recognised on an accruals basis.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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.

**(l) Comparative Figures**

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

**Critical accounting estimates and judgments**

The directors evaluate 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 company.

**Key judgments — Impairment**

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

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Note 2	Revenue		2008 \$	2007 \$
		Note		
	Sales revenue			
	— sale of goods		-	-
	Total sales revenue		-	-
	Other revenue			
	— membership subscriptions and levies		15,491,357	13,932,844
	— dividends received	2(a)	-	-
	— interest received	2(b)	375,627	285,045
	— construction revenue		-	-
	— services revenue		73,946	94,303
	— other revenues		-	-
	Total other revenue		15,940,930	14,312,192
	Total sales revenue and other revenue		15,940,930	14,312,192
	Other income			
	— gain on disposal of property, plant and equipment		533	370
	— gains on disposal of non-current investments		-	-
	— other income		-	-
	Total other income		533	370
(a)	Dividend revenue from:			
	— associated companies		-	-
	— other corporations		-	-
	— joint venture entities		-	-
	Total dividend revenue		-	-
(b)	Interest revenue from:			
	— other related parties		-	-
	— other persons		375,627	285,045
	— directors		-	-
	Total interest revenue		375,627	285,045

Note 3	Profit from Ordinary Activities		2008 \$	2007 \$
(a)	Expenses			
	Affiliation fees		1,697,860	1,691,920
	Finance costs:			
	— Company		-	-
	— Director related company		-	-
	— Other persons		-	-
	Total finance costs		-	-
	Impairment of non-current investments		-	-
	Foreign currency translation losses		-	-
	Bad and doubtful debts:			
	— trade receivables		50	25
	Total bad and doubtful debts		50	25
	Rental expense on operating leases			
	— minimum lease payments		329,202	391,285
	— contingent rentals		-	-
	— rental expense for sub-lease		-	-
			329,202	391,285
	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:			
	— Write-off of obsolete inventory included within cost of sales		-	-
	— Loss on disposal of property, plant and equipment		-	-
	— Loss on disposal of non-current investments		-	-

Note 4	Key Management Personnel Compensation	Short-term Benefits \$	Post Employment Benefit \$	Total \$
2008	Total compensation	1,409,429	-	1,409,429
2007	Total compensation	1,310,394	35,972	1,346,366

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**Note 5 Auditors' Remuneration**

	2008	2007
	\$	\$
Remuneration of the auditor for:		
— auditing or reviewing the financial report	20,045	15,455
— taxation services	-	-
— due diligence services	-	-
— taxation services provided by related practice of auditor	-	-

**Note 6 Cash and Cash Equivalents**

	Note	2008	2007
		\$	\$
CURRENT			
Cash at bank and in hand		318,088	813,733
Short-term bank deposits		5,282,477	3,677,539
		5,600,565	4,491,272

The effective interest rate on short-term bank deposits was 6.44% (2007: 7.24%); these deposits have an average maturity of 90 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:

Cash and cash equivalents	5,600,565	4,491,272
Bank overdrafts	-	-
	5,600,565	4,491,272

**Note 7 Trade and Other Receivables**

	Note	2008	2007
		\$	\$
CURRENT			
Trade receivables		105,853	76,145
Provision for impairment of receivables		-	-
		105,853	76,145
Other receivables		844,587	669,749
Other related parties		-	-
		950,440	745,894
NON-CURRENT			
Trade receivables		-	-
Other receivables		1,770,218	1,816,358
Provision for impairment of receivables		-	-
		1,770,218	1,816,358

**Note 8 Other Assets**

	2008	2007
	\$	\$
CURRENT		
Calls in arrears	-	-
Prepayments	220,616	317,164
	220,616	317,164
NON-CURRENT		
Calls in arrears	-	-
Prepayments	-	-
	-	-

**Note 9 Financial Assets**

	2008	2007
	\$	\$
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	-	-
	8,000,000	8,000,000
Total available-for-sale financial assets	8,000,000	8,000,000

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. No intention to dispose of any unlisted available-for-sale financial assets existed at 31 December 2008.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

**Note 10**      **Property, Plant and Equipment**

	2008	2007
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment:		
At cost	341,468	325,536
Accumulated depreciation	(214,639)	(203,172)
Accumulated impairment losses	-	-
	126,829	122,364
	-	-
Total plant and equipment	126,829	122,364
Total property, plant and equipment	126,829	122,364

**(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 1 January 2007	114,866	114,866
Additions	103,163	103,163
Disposals	65,562	65,562
Revaluation increments/(decrements)	-	-
Depreciation expense	(65,562)	(65,562)
Capitalised borrowing cost and depreciation	(95,665)	(95,665)
Balance at 31 December 2007	122,364	122,364
Additions	71,140	71,140
Disposals	55,208	55,208
Revaluation increments/(decrements)	-	-
Depreciation expense	(66,675)	(66,675)
Capitalised borrowing cost and depreciation	(55,208)	(55,208)
Carrying amount at 31 December 2008	126,829	126,829

**(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**

	2008	2007
	\$	\$
<b>CURRENT</b>		
Unsecured liabilities		
Unearned income - members' subscriptions paid in advance	243,515	217,443
Sundry payables and accrued expenses	1,009,089	521,798
Net GST liability	186,303	183,770
	1,438,907	923,011
	-	-
<b>NON-CURRENT</b>		
Unsecured liabilities		
Trade payables	-	-
Sundry payables and accrued expenses	-	-
Annual leave	-	-
	-	-

**Note 12**      **Provisions**

	2008	2007
	\$	\$
<b>CURRENT</b>		
Long-term Employee Benefits		
Opening balance at beginning of year	1,693,104	1,737,379
Additional provisions raised during year	137,807	-
Amounts used	-	(44,275)
Balance at end of the year	1,830,911	1,693,104
	-	-
<b>NON-CURRENT</b>		
Long-term Employee Benefits		
Opening balance at beginning of year	-	-
Additional provisions raised during year	-	-
Amounts used	-	-
Balance at end of the year	-	-
	-	-
<b>Analysis of Total Provisions</b>		
Current	1,830,911	1,693,104
Non-current	-	-
	1,830,911	1,693,104

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**Provision for Long-term Benefits**

A provision has been recognised for employee benefits relating to 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(f).

**Note 13 Capital and Leasing Commitments**

Note	2008 \$	2007 \$
<b>(a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable — minimum lease payments		
— not later than 12 months	290,287	289,943
— between 12 months and five years	225,380	289,499
— greater than five years		
	<u>515,667</u>	<u>579,442</u>
<b>(b) Capital Expenditure Commitments</b>		
Capital expenditure commitments contracted for:		
Plant and equipment purchases		
Capital expenditure projects		
Payable		
— not later than 12 months		
— between 12 months and five years		
— greater than five years		
	<u>-</u>	<u>-</u>

**Note 14 Contingent Liabilities and Contingent Assets**

	2008 \$	2007 \$
Estimates of the potential financial effect of contingent liabilities that may become payable:		
<b>Contingent Liabilities</b>		
Autopay arrangement	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

**Note 15 Cash Flow Information**

	2008 \$	2007 \$
<b>(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Profit after income tax	521,913	808,802
Non-cash flows in profit		
Depreciation	68,675	95,665
Impairment of property, plant and equipment		
Net gain/(loss) on disposal of property, plant and equipment	(533)	(370)
Net gain/(loss) on disposal of investments		
Share of associated company's net profit after dividends		
Share of joint venture company net profit after income tax and dividends		
Changes in assets and liabilities		
(Increase)/decrease in trade and term debtors	(204,543)	(132,428)
(Increase)/decrease in other assets	96,548	(2,934)
Increase/(decrease) in payables	515,893	(283,042)
Increase/(decrease) in provisions	137,807	(44,275)
	<u>1,133,760</u>	<u>441,418</u>
<b>(b) Non-cash Financing and Investing Activities</b>		
"Property, plant and equipment:		
During the financial year, the company acquired plant and equipment with an aggregate fair value of \$nil by means of hire purchase agreements.		
<b>(c) Credit Standby Arrangement and Loan Facilities</b>		
The company has a bank overdraft and commercial bill facility amounting to \$nil.		

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**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 branch's operations, the results of those operations or the state of affairs of the branch in subsequent financial years.
- (b) The financial report was authorised for issue on 15 May 2009 by 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 a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) the application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

**Note 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 2008 was \$1,409,429.

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 2008 was \$5,469,685.

**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. On 8th July 2006 Branch Conference extended the levy indefinitely, and increased the levy to \$25.00 per annum for members employed 0.6 and above and \$12.50 for members employed 0.5 or below.

	2008 \$	2007 \$
Opening Balance	427,705	99,001
Add funds collected from levy	840,484	688,595
Add donation and interest income	19,724	4,298
	<hr/> 860,208	<hr/> 692,893
Total funds available	1,287,913	791,894
Less amounts paid for Public Education purposes	-631,149	-364,189
Funds available for Public Education campaign purposes as at 31 December	<hr/> 656,764	<hr/> 427,705
Public Education bank account at year end	534,635	514,698
Add amounts under/(over) remitted to Public Education account by AEU Vic Branch	122,129	-86,993
	<hr/> 656,764	<hr/> 427,705
<u>Source of funds</u>		
Excess of income over campaign spending	229,059	328,704
Reduction in bank account	-	-
Increase in amount owing by Public Education Campaign to AEU Vic Branch	-	86,993
Reduction in amount owing by AEU Vic Branch to Public Education Campaign	-	86,616
	<hr/> 229,059	<hr/> 502,313
<u>Application of funds</u>		
Excess of campaign spending over income	-	-
Reduction of amount owing by Public Education Campaign to AEU Vic Branch	86,993	-
Increase in amount owed by AEU Vic Branch	122,129	-
Increase in bank account	19,937	502,313
	<hr/> 229,059	<hr/> 502,313

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**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.

	2008	2,007
	\$	\$
Opening Balance	24,078	23,372
Add donation and interest income	1,263	706
Total funds available	25,341	24,078
Less amounts paid for Certified Agreement Levy purposes	-	-
Funds available for Certified Agreement Levy purposes as at 31 December	25,341	24,078
Certified Agreement Levy bank account at year end	25,341	11,078
Add amounts under/(over) remitted to Certified Agreement Levy account by AEU Vic Branch	-	13,000
	25,341	24,078

Source of funds

Reduction in amount owing by AEU Vic Branch/Increase in amount owed to AEU Vic Branch	13,000	-
Donation and Interest income	1,263	706
	14,263	706

Application of funds

Increase in bank account	14,263	424
Reduction in amount owed to AEU Vic Branch/Increase in amount owed by AEU Vic Branch	-	282
	14,263	706

**Note 20 Financial Risk Management**

**(a) Financial Risk Management Policies**

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 company does not have any derivative instruments at 31 December 2008.

**Financial Risk Exposures and Management**

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

**Interest rate risk**

At 31 December 2008 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.

There are no material amounts of collateral held as security at 31 December 2008.

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

The trade receivables balance at 31 December 2008 and 31 December 2007 do not include any counter parties with external credit ratings.

Customers are assessed for credit worthiness using the criteria detailed above.

**Price risk**

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

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008**

**(b) Financial Instrument Composition and Maturity Analysis**

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Effective		Floating Interest Rate		Within 1 Year		Fixed Interest Rate Maturing	
	Interest Rate		2008	2007	2008	2007	1 to 5 years	
	2008	2007	\$	\$	\$	\$	2008	2007
	%	%					\$	\$
<b>Financial Assets:</b>								
Cash and cash equivalents	3.14	5.32	313,941	809,703	-	-	-	-
Receivables	0.00	0.00	-	-	-	-	-	-
Investments	6.44	7.24	-	-	5,282,477	3,677,539	-	-
<b>Total Financial Assets</b>			<b>313,941</b>	<b>809,703</b>	<b>5,282,477</b>	<b>3,677,539</b>	<b>-</b>	<b>-</b>

	Non-Interest Bearing		Total	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>Financial Assets:</b>				
Cash and cash equivalents	-	-	313,941	809,703
Receivables	2,850,686	2,562,252	2,850,686	2,562,252
Investments	-	-	5,282,477	3,677,539
<b>Total Financial Assets</b>	<b>2,850,686</b>	<b>2,562,252</b>	<b>8,447,104</b>	<b>7,049,494</b>

	Weighted Average Effective		Floating Interest Rate		Within 1 Year		Fixed Interest Rate Maturing	
	Interest Rate		2008	2007	2008	2007	1 to 5 years	
	2008	2007	\$	\$	\$	\$	2008	2007
	%	%					\$	\$
<b>Financial Liabilities:</b>								
Bank overdraft secured	-	-	-	-	-	-	-	-
Bank bills secured	-	-	-	-	-	-	-	-
Bank loan secured	-	-	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-
Financial guarantee contracts	-	-	-	-	-	-	-	-
<b>Total Financial Liabilities</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Non-Interest Bearing		Total	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>Financial Liabilities:</b>				
Bank overdraft secured	-	-	-	-
Bank bills secured	-	-	-	-
Bank loan secured	-	-	-	-
Trade and other payables	1,438,907	923,011	1,438,907	923,011
Lease liabilities	-	-	-	-
Financial guarantee contracts	-	-	-	-
<b>Total Financial Liabilities</b>	<b>1,438,907</b>	<b>923,011</b>	<b>1,438,907</b>	<b>923,011</b>

Trade and other payables are expected to be paid as follows:

	2008	2007
	\$	\$
Less than 6 months	1,438,907	923,011
6 months to 1 year	-	-
1-5 years	-	-
	<b>1,438,907</b>	<b>923,011</b>

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH ABN: 44 673 398 674  
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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 balance sheet and in the notes to the financial statements.

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

	2008		2007	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
<b>Financial assets</b>				
Available for sale financial assets at fair value	8,000,000	8,000,000	8,000,000	8,000,000
Loans and receivables			2,562,252	2,562,252
	<u>8,000,000</u>	<u>8,000,000</u>	<u>10,562,252</u>	<u>10,562,252</u>
<b>Financial liabilities</b>				
Bank overdraft secured	-	-	-	-
Bank bills secured	-	-	-	-
Bank loan secured	-	-	-	-
Trade and other payables	1,438,907	1,438,907	923,011	923,011
Lease liabilities	-	-	-	-
Financial guarantee contracts	-	-	-	-
	<u>1,438,907</u>	<u>1,438,907</u>	<u>923,011</u>	<u>923,011</u>

(d) Sensitivity analysis

Interest rate risk:

The company has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

Interest Rate Sensitivity Analysis:

As at 31 December 2008, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as

	2008 \$	2007 \$
Change in profit		
- Increase in interest rate by 2%	(87,586)	(70,153)
- Decrease in interest rate by 2%	87,586	70,153
Change in equity		
- Increase in interest rate by 2%	(87,586)	(70,153)
- Decrease in interest rate by 2%	87,586	70,153

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged. No sensitivity analysis has been performed on foreign exchange risk as the entity is not exposed to foreign currency fluctuations.

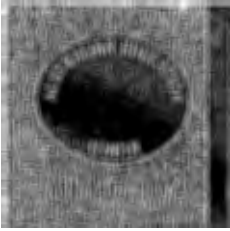
AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH ABN: 44 673 398 674  
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Note 21 Detailed Income and Expenditure Statement

	Note	2008 \$	2007 \$
<b>INCOME</b>			
Certified Agreement levy	19	1263	706
Interest		375,627	285,045
Membership subscriptions		14,449,886	13,219,245
Other Income		73,946	94,303
Profit/(Loss) on sale of furniture & fittings		533	370
Worksafe Funding		180,000	20,000
Public Education Campaign levy	19	860,208	692,893
<b>TOTAL INCOME</b>		<u>15,941,463</u>	<u>14,312,562</u>
<b>EXPENSES</b>			
Affiliation Fees		1,697,860	1,691,920
Campaigns - Certified Agreement levy	19	-	-
- Other campaigns		699,987	411,980
- Public Education Campaign levy	19	631,149	364,189
Communications: telephone, fax & internet		180,491	151,955
Conferences - Annual conference		10,605	18,577
- Other conferences & forums		63,457	50,125
Donations		45,800	6,592
Equipment - Furniture, computer & equipment sundry items		313,605	512,134
- Depreciation		66,675	95,665
- Lease & rental costs		81,827	90,229
- Maintenance of computers & equipment		24,869	39,301
Functions & farewells		4,927	8,455
Legal expenses		549,015	471,770
Library/information services		23,553	22,609
Membership services		1,200,198	492,656
Motor vehicle fleet costs		499,972	597,217
Miscellaneous		3,987	5,333
Office Expenses - Audit		20,045	15,455
- Bad debts written off		50	25
- Bank charges		1,986	2,780
- Office requisites & paper		46,689	57,720
- Postage		85,541	58,804
- Subscription collection costs		105,841	72,252
Publications		597,347	386,103
Regional offices: rent, rates, telephone, etc		174,597	152,474
Rent & outgoings: Trennery Crescent		327,310	305,196
Salaries - Annual leave		45,305	-95,252
- Fringe benefits tax		358	54,788
- Insurance		57,665	35,055
- Leadership & others		5,857,109	5,514,002
- Long service leave		101,651	120,217
- Other salary costs		151,946	121,214
- Payroll tax		333,149	332,328
- Sick Leave		914	0
- Staff benefits reserve		0	0
- Superannuation		938,302	894,095
- Training		15,003	54,823
- Workcover		117,962	118,183
Structures		280,425	235,878
Travel expenses		62,378	36,913
<b>TOTAL EXPENSES</b>		<u>15,419,550</u>	<u>13,503,760</u>
<b>OPERATING SURPLUS/(LOSS) BEFORE ABNORMAL ITEMS</b>		<u>521,913</u>	<u>808,802</u>
<b>ABNORMAL ITEM</b>			
Impairment of financial assets	3	0	0
<b>SURPLUS/(LOSS) AND ABNORMAL ITEM FOR THE YEAR</b>		<u>521,913</u>	<u>808,802</u>







# AUSTRALIAN EDUCATION UNION

## Victorian Branch

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### COMMITTEE OF MANAGEMENT STATEMENT

On 15 May 2009 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 2008.

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

- (a) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar for purposes of section 270 of the RAO Schedule;
- (b) the financial statements and notes give a true and fair view of the financial performance and financial position of the reporting unit for the financial year to which they relate;
- (c) 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
- (d) 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) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member of Registrar; and
  - (v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- (e) in relation to recovery of wages activity:
  - (i) there has been no such activity undertaken by the reporting unit.

For Committee of Management:  
Title of Office held:

**Brian John Henderson**  
**Branch Secretary**

Signature: 

Date: 15 / 05 / 09



Accountants & Advisors

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 31 December 2008. 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.

**Committee of Management's and Branch Secretary's Responsibility for the Financial Report**

The committee of management and branch secretary of the Australian Education Union Victorian Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 the committee of management and branch secretary, 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 Workplace Relations Act 1996.

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Directors  
P.A. Tierney, FCA  
N.G. Johnston, CPA  
M.P. Barson, CA  
W.C. Goodwin, CA

### **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 2008 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**

**Member of the Institute of Chartered Accountants in Australia holding a current Public Practice Certificate**

**Date :** 19th May 2009