



FAIR WORK
AUSTRALIA

02 August 2010

Mr. Brian Henderson
Branch Secretary
Australian Education Union Victorian (Vic) Branch
112 Trenerry Crescent
Abbotsford VIC 3067

Dear Mr. Henderson,

RE: Financial report of the Australian Education Union Victorian (Vic) Branch for the year ended 31 December 2009 (FR2009/10303)

I acknowledge receipt of the financial report of the Australian Education Union Victorian (Vic) Branch for the year ended 31 December 2009. The documents were lodged with Fair Work Australia on 19 July 2010.

The financial report has now been filed.

I have attached an addendum for your consideration in which I make 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.

If you wish to discuss any matters further, I can be contacted on (03) 8661 7926 or via email erin.bulluss@fwa.gov.au.

Yours sincerely,

Erin Bulluss
Tribunal Services and Organisations
Fair Work Australia
Email: erin.bulluss@fwa.gov.au

Addendum to the Financial Report for the Australian Education Union Victorian (Vic) Branch for the year ended 31 December 2009 (FR2009/10303)

The following comments are made to assist you when you next prepare a financial report.

1. Committee of Management Statement: reference to section 270 of the ROA Schedule

Paragraph (a) contained within the Committee of Management Statement states that 'the financial statements and notes comply with the reporting guidelines of the Industrial Registrar for the purposes of section 270 of the ROA Act'. The reference to section 270 of the ROA Schedule is incorrect. The correct reference is to section 253 of the *Fair Work (Registered Organisations) Act 2009*.

2. Committee of Management Statement: financial statements and notes comply with the Australian Accounting Standards

Reporting Guideline 25(a) requires that the Committee of Management Statement include a declaration by the committee of management as to whether in the opinion of the committee of management the financial statements and notes comply with the Australian Accounting Standards. The following wording would satisfy this requirement:

"The Committee of Management declares in relation to the GPFR that in its opinion:

(...) the financial statements and notes comply with the Australian Accounting Standards"

3. Required disclosures: contributions to and from other reporting units of the organisation.

Reporting Guideline 15 requires that where another reporting unit of the organisation is the source of a cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the reporting unit concerned.

It is my understanding that the Australian Education Union Victorian (Vic) Branch is required under Federal Rule 11(2)(a) of the Australian Education Union to pay monies '...to the Federal Fund in respect of each financial member of the Union attached to that Branch...as a capitation fee.' Any such fees should be disclosed either in the income statement or the notes to the financial statements, and should include the name of the reporting unit (i.e. Australian Education Union).

Note 23 contains an item of disclosure entitled "Affiliation fees". If this item refers to fees made to the AEU then disclosures as outlined above need to be made. If this item refers to affiliations to external organisations, then item 11(d) of the Reporting Guidelines has been satisfied (item 11(d) requires disclosure of expenses regarding periodic subscriptions in respect of affiliation to any political party or industrial organisation).



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

21 June 2010

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 2009**

The full report was presented to Branch Council at its meeting on 18 June 2010.

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

Yours sincerely

Brian Henderson
Branch Secretary



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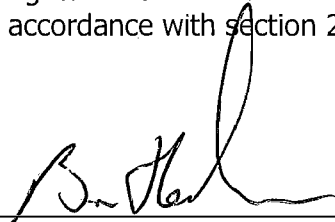
Certificate of Secretary or other Authorised Officer

(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 28 May 2010; 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 18 June 2010; in accordance with section 266 of the RAO Schedule.

Signature:



(Branch Secretary)

Date:

19 / 6 / 2010

**AUSTRALIAN EDUCATION UNION
VICTORIAN BRANCH**

ABN: 44 673 398 674

**Annual Financial Report For The Year Ended
31 December 2009**

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

31 December 2009

ABN: 44 673 398 674

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OPERATING REPORT FOR THE 2009 FINANCIAL YEAR AEU VICTORIAN BRANCH

Principal Activities

The schools sectors were involved in two major activities. The first was the "TAFE for All" campaign aimed at overturning the State Government's "reforms" to the TAFE system. The campaign involved visiting Secondary schools with a high proportion of students that go to TAFE destinations to inform them of the significant cost imposts they would face by enrolling in TAFE. In addition we met with Careers teachers to let them know about the changes which would have an impact on the advice they gave to students considering a TAFE course.

In primary schools the union ran a strong campaign to get more resources and time for schools to implement the P to 2 online testing, which was introduced early in the year after schools had completed their planning for the school year.

In the TAFE sector the union also campaigned against the State Government's Skills Reforms through the "TAFE4All Campaign". As part of the paid and unpaid media campaign, every TAFE Institute in the State was visited and meetings of students were held to inform them of the impact of the changes. The campaign also included two television commercials which highlighted increased TAFE enrolment fees. Those commercials were aired on regional and metropolitan tv stations at various times throughout the year. The campaign raised a great deal of public opposition to the State Government's changes.

The AEU has continued its efforts to get Disability members a pay increase through pressuring Employer representatives to negotiate. The AEU also met with Minister Lisa Neville and DHS urging them to intervene. As a result of the continued blocking of getting Agreements, the union then met with various other unions who also have coverage of disability workers to discuss the possibility of achieving a memorandum of understanding with the employer peak bodies which would urge employers to pass on 3.25% pay increase backdated to July 2009. The AEU has coverage of approximately 88 centres where members are covered under part 1 of the award.

Members under Part 2 of the Award 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 has continued to push the various employers to negotiate relevant and appropriate agreements but with little success.

As a result of the situation in the Disability sector, late in 2009 the AEU met with several other unions and agreed to participate as an Applicant in a Pay Equity campaign for all disability workers in 2010.

In our Early Childhood Sector the union was in negotiations with the employers around a new enterprise agreement. Additional pressure was placed on the time lines for reaching agreement as a result of the introduction of a new State Government wages policy. Ultimately, two agreements were reached one covering teachers and assistants in the community sector and one covering teachers and assistants in the Local Government area. The AEU will continue to push for agreements in similar terms for teachers and assistants in early intervention and associated programs.

The following significant submissions were lodged during the year:

- State Budget Submission 2009 - 2010 February, 2009;
- Healthy Living and Schools Inquiry Victorian Parliamentary Inquiry;
- DEECD Review of Alternative Education Programs.

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 2009 State Budget.

Recruitment

In 2009 we maintained strong recruitment levels as the following table demonstrates.

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
2009	808	1020	910	609	721	762	599	663	597	598	530	48	7865

Financial Affairs

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

In 2009 we continued to hold at least \$5 million in short term deposits (\$4.4 million at years end) and cash.

In 2009 the net loss from ordinary activities was \$ 569,682 compared to a net profit of \$521,913 in 2008. On the income side, membership subscriptions, including PEC levies, increased by over \$1.6 million. Interest received decreased by over \$0.1 million. On the expense side, legal costs increased \$0.28 million, depreciation by over \$0.2 million following substantial investment on the membership data base system and communication equipment. Salaries and related costs increased by over \$0.9 million. Membership Services costs increased by over \$2.6 million mainly related to our active recruitment policies. The cost of the initial recruitment will be recouped over the next two years and with tighter expenditure controls we should see the budget return to surplus. In addition Membership Services also increased in part due to the payouts to members affected by the Victorian bushfires. This assistance amounted to \$0.47 million, which because of the circumstances was not budgeted for.

The TFV Building was valued at \$14.75 million in the last valuation prior to the global financial crisis and is due to be revalued in 2010.

Put in context, our current cash assets remain at 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 very consistent and good membership growth and with continuing prudent financial management, cash reserves will continue to increase over future years. 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 to June 30, 2009
Christine. M. STEWART from July 1, 2009
Barbra A NORRIS

The latter two 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 38,371 members and ended with 42,834, members which represent an increase of 4,463 (11.63%) members in the reporting year.

The following figures indicate the growth of the organisation on a Sector basis from 1 January 2009 to 31 December 2009:

Primary	15.49%	or	2,680 members
Secondary	5.9%	or	880 members
Early Childhood	64.07%	or	724 members
TAP	3.89%	or	179 members
TOTAL	11.63%	or	4,463 members

(b) At 31/12/2009 the reporting unit employed 84 persons which translated to 72.2263 equivalent full-time employees (54 Full time, 18.9114 Part time).

Members of Branch Council in 2009:

ELECTORATE	No per elect orate	PRIMARY	No per elect orate	SECONDARY	No per elect orate	EARLY CHILDHOOD
SOUTH EAST 1 Doncaster / Warringal Inner East Greater Waverley	5	Brookes, Gillian Cassidy, Andrew Cooke, Jean Cosmano, Michael (from 20.2.09 resigned 21.6.09)) Halden, Andrea	4	Anastasiou, Tas Angus, Cheryl Cookson, Wendy (from 20.2.09) Steane, Valerie Tripp, Marita (resigned 23.1.09)	7	Bird, Jo (from 19.6.09) Lappen, Debbie (resigned 13.8.09) Raymond, Jane Vessey, Marian (from 23.5.07) Evans, Bruna (from 30.5.08)
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 O'Brien, Eileen (resigned 26.6.09)	5	Kapoor, Madhu (from 24.10.08) Lyons, Maree
SOUTH EAST 3 Berwick/Pakenham/ Cranbourne/Wonth aggi South Eastern	4	Lylak, Nicole Rothstadt, Kay Sharp, Kathy Vrondou, Chris	4	Crotty, Judith Glare, Dean Hurling, Angela (from 14.03.08) Scott, Ann (from 24.10.08) Quinn, Julie (from 15.5.09)	4	Geritz (Ayliffe), Grace (resigned 30.7.09) Murray, Ann Patrick, Sue
SOUTH EAST 4 Longbeach/Moorab bin Frankston Peninsula	6	Farrelly, Rita Luebbers, Barbara Svigos, Russell Stokes, Jennifer (resigned 24.1.09) Woods, Wayne	4	Bryce, Andy Denehey, Carole Patton, Felix (from 20.2.09) Seltman, Heidi	8	Anderson, Susan (from 23.5.07) Avard, Helander Barbuto, Doreen Simpkin, Jill Williams, Karen (from 23.5.07) Telfer, Megan (from 15.5.09)
NORTH WEST 1 Diamond Valley Latrobe/Plenty Inner City	4	Norris, Barbra Ghiotti, Beth 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 (from 23.8.07)
NORTH WEST 2 Inner West Werribee	3	Duncan, Briley Foster-Brady, Anastasia (from 19.6.09) Menhennet, Shelley (from 30.11.07) Winton, Kathy (from 23.8.07 Resigned 20.2.09)	3	Lovelock, Chris Peterson, Andrew Maureen O'Flaherty (from 14.03.08)	4	Grarock, Max

ELECTORATE	No per elect orate	PRIMARY	No per elect orate	SECONDARY	No per elect orate	EARLY CHILDHOOD
NORTH WEST 3 Broadmeadows Maribyrnong Sunbury Melton	5	Pontikis, Mary-Anne Pope, Kevin Walker, Peter (from 30.5.08) Woodward, Rebecca Pamela Perry (from 8.8.08)	4	Breen, Geoffrey Cook, Philip O'Neill, Patrick (resigned 2.4.09) D'Ortenzio, Marino (from 23.8.07)	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 Harrilton/Portland Warrnambool	2	Anderson, Anne Clift, David	2	Martina, Peter Martin Rieniets (from 14.03.08)	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 (from 1.8.07)	1	
GIPPSLAND 3 Sale East Gippsland	1	Nicholas, Ross (from 23.5.07)	1	Kell, Matthew	1	
GOULBURN NORTH EAST 1 Benalla Seymour	1	Cunningham, Colleen (from 23.5.07) (resigned 27.1.09)	1	Patton, Felix (resigned 19.1.09) Brookes, Jennifer (from 20.3.09)	2	Heaps, Jennifer
GOULBURN NORTH EAST 2 Kyabram Shepparton	1	Coghlan, Kellie (from 30.11.07)	1	Schear, Walder (from 30.5.08 resigned 26.2.09))	1	Kirby, Juineta
GOULBURN NORTH EAST 3 Wodonga Wangaratta	1	Dews, Merrilyn (from 23.5.07)	1	Morton, Patti	1	
LODDON CAMPASPE MALLEE 1 Bendigo- Maryborough Castlemaine	2	Lewis, Marg (from 14.3.08) Barbara Reidy (from 8.8.08)	2	Manning, Jack Jan Boyle (from 14.03.08)	1	
LODDON CAMPASPE MALLEE 2 Bendigo/Echuca 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) (resigned 16.2.09) Hart, Sophie Wenborn, Lynn (from 20.3.09)

ELECTORATE	No per elect orate	PRIMARY	No per elect orate	SECONDARY	No per elect orate	EARLY CHILDHOOD
ALLIED SUB-SECTOR	5	Bush, Kate (from 19.6.09) Foenander, Jan Ganosis, Sylvia Lahiff, Alida (from 30.11.07 resigned 11.5.09)) Tenson, Katrina Wright, Joanna	3	Davis, Alison (from 19.6.09) Henry, Jo Macardy, Rae Vojtek, Barbara (resigned 8.4.09)		

TAFE, DISABILITY AMES - SECTOR COUNCILLORS

TAFE SUB SECTOR	No. per workplace	Councillors
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 (resigned 19.6.09)
Goulburn Ovens Institute of TAFE	1	Mario Varricchio (resigned 4.1.09) Barbara Van Leest (from 20.3.09)
Holmesglen Institute of TAFE	2	Helen Wiggins Steve Ireland (from 19.6.09)
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, Mary Collins Peter Murphy (from 14.03.08) (resigned 11.2.09) Kirsty Gorter (from 20.3.09)
South West Institute of TAFE	1	Stuart Stephen
Sunraysia Institute of TAFE	1	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, (resigned 24.2.09) Paul Ashton, (resigned 19.1.09) Leanne Glover-Richards (resigned 25.2.09) John Banjanin (from 20.3.09) Norm Colling (from 15.5.09) Derek Walter (from 15.5.09)
William Angliss Institute of TAFE	1	Marylouise Chapman (from 14.03.08)
Wodonga Institute of TAFE	1	Ian Lack (from 2.5.08)
DISABILITY SERVICES	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)
AMES	2	2 Vacant positions

AEU VICTORIAN BRANCH
BRANCH COUNCIL 2009

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

TAFE Sub-Sector (8 positions)

CROWE Rosemary
HYDE Mark
JONES Craig
SHEEHAN Peter
VARRICCHIO Mario

3 Vacancies

Disability Services Sub-Sector (2 positions)

CUMMINS Renaë

1 Vacancy

AMES Sub-Sector (1 position)

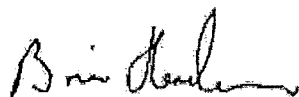
1 Vacancy

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, 2010

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

ABN: 44 673 398 674

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009	2008
		\$	\$
Revenue	2	17,323,188	15,940,930
Other income	2	226	533
Changes in inventories of finished goods and work in progress		-	-
Raw materials and consumables used		-	-
Employee benefits expense		(8,920,751)	(7,962,167)
Freight and cartage		-	-
Occupancy expenses		(603,131)	(747,611)
Administration expenses		(8,061,294)	(6,591,274)
Depreciation and amortisation expenses		(283,426)	(66,675)
Commissions paid		-	-
Impairment of property, plant and equipment		-	-
Finance costs	3	-	-
Other expenses		(24,494)	(51,823)
Share of net profits of associates and joint ventures		-	-
Profit before income tax	3	<u>(569,682)</u>	<u>521,913</u>
Profit attributable to members of the entity		<u>(569,682)</u>	<u>521,913</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 2009

	Note	2009 \$	2008 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	5,397,528	5,600,565
Trade and other receivables	7	381,979	950,440
Other current assets	8	267,185	220,616
TOTAL CURRENT ASSETS		<u>6,046,692</u>	<u>6,771,621</u>
NON-CURRENT ASSETS			
Trade and other receivables	7	1,539,796	1,770,218
Financial assets	9	8,000,000	8,000,000
Plant and equipment	10	712,860	126,829
Other non-current assets	8	-	-
TOTAL NON-CURRENT ASSETS		<u>10,252,656</u>	<u>9,897,047</u>
TOTAL ASSETS		<u>16,299,348</u>	<u>16,668,668</u>
CURRENT LIABILITIES			
Trade and other payables	11	1,423,210	1,438,907
Other financial liabilities	12	-	-
Short-term provisions	13	2,046,970	1,830,911
TOTAL CURRENT LIABILITIES		<u>3,470,180</u>	<u>3,269,818</u>
NON-CURRENT LIABILITIES			
Trade and other payables	11	-	-
Long-term provisions	13	-	-
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>3,470,180</u>	<u>3,269,818</u>
NET ASSETS		<u>12,829,168</u>	<u>13,398,850</u>
EQUITY			
Reserves		-	-
Retained earnings		12,829,168	13,398,850
TOTAL EQUITY		<u>12,829,168</u>	<u>13,398,850</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 2009

Note	Retained Earnings \$	General Reserves \$	Total \$
Balance at 1 January 2008	12,876,937	-	12,876,937
Profit attributable to members	521,913	-	521,913
Transfers to and from reserves:			
— general reserve	-	-	-
Transfers from retained profits	-	-	-
Sub-total	13,398,850	-	13,398,850
Dividends paid or provided for	-	-	-
Balance at 31 December 2008	13,398,850	-	13,398,850
Loss attributable to members	(569,682)	-	(569,682)
Revaluation increment / (decrement)	-	-	-
Sub-total	12,829,168	-	12,829,168
Dividends paid or provided for	-	-	-
Balance at 31 December 2009	12,829,168	-	12,829,168

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 2009

	Note	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		17,568,951	15,386,830
Payments to suppliers and employees		(17,380,453)	(14,628,697)
Dividends received		-	-
Interest received		247,274	375,627
Finance costs		-	-
Income tax paid		-	-
Net cash provided by operating activities	17(a)	<u>435,772</u>	<u>1,133,760</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		226	533
Proceeds from sale of investments		-	-
Purchase of property, plant and equipment		(869,457)	(71,140)
Purchase of investments		-	-
Loans to related parties			
— payments made		-	-
— proceeds from repayments		230,422	46,140
Net cash used in investing activities		<u>(638,809)</u>	<u>(24,467)</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 (decrease) increase in cash held		(203,037)	1,109,293
Cash at beginning of financial year		5,600,565	4,491,272
Cash at end of financial year	6	<u>5,397,528</u>	<u>5,600,565</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 2009

The financial report is for the entity Australian Education Union - Victorian Branch. This organisation is registered under the Fair Work (Registered Organisations) Act 2009 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.

Note 1 Statement of Significant Accounting Policies

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 Section 255, Division 3, Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

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. 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 and 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.

(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 %
Membership Database	30%
Communications Equipment	30%

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 on a straight-line basis over the lease term.

(d) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measured at initial recognition (ii) less principal repayments (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

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

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking; derivatives not held for hedging purposes; or when they are 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. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(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.

(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.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. 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.

(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 entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) Intangibles

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities acquired at date of acquisition. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(g) 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.

(h) 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. Provisions are measured using the best estimate of the amounts required to settle the obligation at balance date.

(i) Cash and Cash Equivalents

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

(j) 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).

(k) 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 or sale.

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

(l) 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 Tax 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.

(m) 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

(n) Critical Accounting Estimates and Judgements

Key Estimates

(i) Impairment

Branch Council assess impairment at each reporting date by evaluation of conditions and events specific to the entity that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(o) New Accounting Standards for application in future periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods and which the entity has decided not to early adopt. A discussion of those future requirements and their impact on the entity is as follows:

- **AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASB Standards 1,2,4,5,7,101,107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 and 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 and AASB 136] (applicable for annual reporting periods commencing from 1 January 2009).** These Standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. In this regard, its impact on the entity is not able to be determined. Changes to accounting requirements include:
 - acquisition costs incurred in a business combination will no longer be booked to goodwill but will be expensed unless the cost relates to issuing debt or equity securities
 - contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition
 - a gain or loss of control will require the previous ownership interests to be remeasured to their fair value
 - there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity (this will not represent a change to the entity's policy)
 - dividends declared out of pre-acquisition profits will not be deducted from the cost of an investment but will be recognised as income
 - impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee
 - where there is in substance no change to entity interests, parent entities inserted above existing entities shall measure the cost of its investments at the carrying amount of its share of the equity items shown in the balance sheet of the original parent at the date of reorganisation
- **AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009).** This Standard replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the entity's Branch Council for the purposes of decision making.
- **AASB 101: Presentation of Financial Statements, AASB 2007-9: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009).** The revised AASB 101 and amendments supersede the previous AASB 101 and redefine the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the entity. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.
- **AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 and AASB 138 and Interpretations 1 and 12] (applicable for annual reporting periods commencing from 1 January 2009).** The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the entity as a policy of capitalising qualifying borrowing costs has been maintained by the entity.
- **AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009).** This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.
- **AASB 2008-2: Amendments to Australian Accounting Standards – Putable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132 & AASB 139 & Interpretation 2] (applicable for annual reporting periods commencing from 1 January 2009).** These amendments introduce an exception to the definition of a financial liability, to classify as equity instruments certain puttable financial instruments and certain other financial instruments that impose an obligation to deliver a pro-rata share of net assets only upon liquidation.
- **AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) detail numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. No changes are expected to materially affect the entity.**
- **AASB 2008-8: Amendments to Australian Accounting Standards – Eligible Hedged Items [AASB 139] (applicable for annual reporting periods commencing from 1 July 2009).** This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations and is not expected to materially affect the entity.
- **AASB 2008-13: Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 and AASB 110] (applicable for annual reporting periods commencing from 1 July 2009).** This amendment requires that non-current assets held for distribution to owners to be measured at the lower of carrying value and fair value less costs to distribute.
- **AASB Interpretation 15: Agreements for the Construction of Real Estate (applicable for annual reporting periods commencing from 1 January 2009).** Under the Interpretation, agreements for the construction of real estate shall be accounted for in accordance with AASB 111 where the agreement meets the definition of 'construction contract' per AASB 111 and when the significant risks and rewards of ownership of the work in progress transfer to the buyer continuously as construction progresses. Where the recognition requirements in relation to construction are satisfied but the agreement does not meet the definition of 'construction contract', revenue is to be accounted for in accordance with AASB 116. Management does not believe that this will represent a change of policy to the entity.
- **AASB Interpretation 16: Hedges of a Net Investment in a Foreign Operation (applicable for annual reporting periods commencing from 1 October 2008).** Interpretation 16 applies to entities that hedge foreign currency risk arising from net investments in foreign operations and that want to adopt hedge accounting. The Interpretation provides clarifying guidance on several issues in accounting for the hedge of a net investment in a foreign operation and is not expected to impact the entity.
- **AASB Interpretation 17: Distributions of Non-cash assets to Owners (applicable for annual reporting periods commencing from 1 July 2009).**

This guidance applies prospectively only and clarifies that non-cash dividends payable should be measured at the fair value of the net assets to be distributed where the difference between the fair value and carrying value of the assets is recognised in profit or loss.

The entity does not anticipate early adoption of any of the above reporting requirements and does not expect them to have any material effect on the entity's financial statements.

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 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

Note 2 Revenue and Other Income

	Note	2009 \$	2008 \$
Sales revenue			
— sale of goods		-	-
— provision of services		-	-
Total sales revenue		-	-
Other revenue			
— membership subscriptions and levies		17,007,548	15,491,357
— dividends received	2(a)	-	-
— interest received	2(b)	247,274	375,627
— construction revenue		-	-
— services revenue		68,366	73,946
— other revenues		-	-
Total other revenue		17,323,188	15,940,930
Total sales revenue and other revenue		17,323,188	15,940,930
Other income			
— gain on disposal of property, plant and equipment		226	533
— gains on disposal of non-current investments		-	-
— other income		-	-
Total other income		226	533
(a) Dividend revenue from:			
— associated companies		-	-
— other corporations		-	-
— joint venture entities		-	-
Total dividend revenue		-	-
(b) Interest revenue from:			
— other related parties		-	-
— other persons		247,274	375,627
— directors		-	-
Total interest revenue on financial assets not at fair value through profit of loss		247,274	375,627

Note 3 Profit before Income Tax

	2009 \$	2008 \$
(a) Expenses		
Affiliation fees	1,633,475	1,697,860
Interest expense on financial liabilities not at fair value through profit of loss		
— Company	-	-
— Director related company	-	-
— Other persons	-	-
Total interest expense	-	-
Impairment of non-current investments	-	-
Foreign currency translation losses	-	-
Bad and doubtful debts:		
— trade receivables	-	50
Total bad and doubtful debts	-	50
Rental expense on operating leases		
— minimum lease payments	413,467	329,202
— contingent rentals	-	-
— rental expense for sub-lease	-	-
Total rental expense on operating leases	413,467	329,202
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 \$	Other Long-term Benefits \$	Total \$
2009				
Total compensation	1,535,491	-	-	1,535,491
2008				
Total compensation	1,409,429	-	-	1,409,429

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

Note 5 Auditors' Remuneration

	2009 \$	2008 \$
Remuneration of the auditor for:		
— auditing or reviewing the financial report	21,300	20,045
— taxation services	-	-
— due diligence services	-	-
— taxation services provided by related practice of auditor	-	-

Note 6 Cash and Cash Equivalents

	2009 \$	2008 \$
CURRENT		
Cash at bank and in hand	1,005,669	318,088
Short-term bank deposits	4,390,859	5,282,477
	<u>5,397,528</u>	<u>5,600,565</u>

The effective interest rate on short-term bank deposits was 4.45% (2008: 6.44%); 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:

	2009 \$	2008 \$
Cash and cash equivalents	5,397,528	5,600,565
Bank overdrafts	-	-
	<u>5,397,528</u>	<u>5,600,565</u>

Note 7 Trade and Other Receivables

	2009 \$	2008 \$
CURRENT		
Trade receivables	115,862	105,853
Provision for impairment	-	-
	<u>115,862</u>	<u>105,853</u>
Other receivables	266,117	844,587
Total current trade and other receivables	<u>381,979</u>	<u>950,440</u>
NON-CURRENT		
Trade receivables	1,539,796	1,770,218
Provision for impairment	-	-
Total non-current trade and other receivables	<u>1,539,796</u>	<u>1,770,218</u>

(a) Provision For Impairment of Receivables

Current trade and term receivables are non-interest bearing loans and generally on 30 day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. These amounts have been included in the other expenses item. Movement in the provision for impairment of receivables is as follows:

	\$
Provision for impairment as at 31 December 2007	-
— charge for year	-
— Written off	-
Provision for impairment as at 31 December 2008	-
— charge for year	-
— Written off	-
Provision for impairment as at 31 December 2009	-

Credit risk

The entity has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 7. The main source of credit risk to the entity is considered to relate to the class of assets described as 'trade and other receivables'.

The following table details the entity's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the entity and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the entity.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)			Within initial trade terms
			< 30	31 – 60	61 – 90	
2009						
	\$	\$	\$	\$	\$	\$
Other receivables	1,921,775	-	115,862	266,117	-	1,539,796
Total	<u>1,921,775</u>	<u>-</u>	<u>115,862</u>	<u>266,117</u>	<u>-</u>	<u>1,539,796</u>
2008						
	\$	\$	\$	\$	\$	\$
Other receivables	2,720,658	-	105,853	844,587	-	1,770,218
Total	<u>2,720,658</u>	<u>-</u>	<u>105,853</u>	<u>844,587</u>	<u>-</u>	<u>1,770,218</u>

The entity does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

(b) Financial Assets classified as loans and receivables

	Note	2009 \$	2008 \$
Trade and other Receivables			
— Total Current		381,979	950,440
— Total Non-Current		1,539,796	1,770,218
		<u>1,921,775</u>	<u>2,720,658</u>
Financial Assets	22	<u>1,921,775</u>	<u>2,720,658</u>

Note 8 Other Assets

		2009 \$	2008 \$
CURRENT			
Calls in arrears		-	-
Prepayments		267,185	220,616
		<u>267,185</u>	<u>220,616</u>
NON-CURRENT			
Calls in arrears		-	-
Prepayments		-	-
		<u>-</u>	<u>-</u>

Note 9 Financial Assets

	Note	2009 \$	2008 \$
NON-CURRENT			
Available-for-sale financial assets	9(a)	-	-
Other Investments	9(b)	8,000,000	8,000,000
Total Non-Current Assets		<u>8,000,000</u>	<u>8,000,000</u>
(a) Available-for-sale financial assets			
Listed investments, at fair value:			
— shares in listed corporations		-	-
Unlisted investments, at fair value		-	-
Total available-for-sale financial assets		<u>-</u>	<u>-</u>

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments. No intention to dispose of any unlisted available-for-sale financial assets existed at 31 December 2009.

(b) Other investments

Shares in associates	8,000,000	8,000,000
Shares in joint venture entities	-	-
	<u>8,000,000</u>	<u>8,000,000</u>

Note 10 Plant and Equipment

	2009 \$	2008 \$
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	262,825	341,468
Accumulated depreciation	(174,701)	(214,639)
Accumulated impairment losses	-	-
	<u>88,124</u>	<u>126,829</u>
Total Plant and Equipment	<u>88,124</u>	<u>126,829</u>
MEMBERSHIP DATABASE		
Membership Database System:		
At cost	600,605	-
Accumulated depreciation	(143,264)	-
Accumulated impairment losses	-	-
	<u>457,241</u>	<u>-</u>
Total Membership Database	<u>457,241</u>	<u>-</u>
COMMUNICATION EQUIPMENT		
Communication Equipment		
At cost	239,279	-
Accumulated depreciation	(71,784)	-
Accumulated impairment losses	-	-
	<u>167,495</u>	<u>-</u>
Total Membership Database	<u>167,495</u>	<u>-</u>
Total Plant and Equipment, Membership Database and Communication Equipment	<u>712,860</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

(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 \$	Membership Database \$	Communication Equipment \$	Total \$
Balance at 1 January 2008	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)
Balance at 31 December 2008	<u>126,829</u>	<u>-</u>	<u>-</u>	<u>126,829</u>
Additions	29,673	600,505	239,279	869,457
Disposals	(108,316)	-	-	(108,316)
Revaluation increments/(decrements)	-	-	-	-
Depreciation expense	(68,378)	(143,264)	(71,784)	(283,426)
Writeback on disposals	108,316	-	-	108,316
Capitalised borrowing cost and depreciation	-	-	-	-
Carrying amount at 31 December 2009	<u>88,124</u>	<u>457,241</u>	<u>167,495</u>	<u>712,860</u>

(b) **Membership Database System**

The entity has contracted for the design and implementation of a new Membership Database management system. It is considered that this system is an asset of the entity and accordingly the expenditure incurred will be capitalised and amortised over its useful life.

(c) **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 plant and equipment.

Note 11 Trade and Other Payables

	Note	2009 \$	2008 \$
CURRENT			
Unsecured liabilities			
Unearned income - members' subscriptions paid in advance		168,091	243,515
Sundry payable and accrued expenses		1,091,978	1,009,089
Net GST Liability		163,141	186,303
	11(a)	<u>1,423,210</u>	<u>1,438,907</u>
NON-CURRENT			
Unsecured liabilities			
Trade payables		-	-
Sundry payables and accrued expenses		-	-
Annual leave		-	-
	11(a)	<u>-</u>	<u>-</u>
(a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables			
— Total Current		1,423,210	1,438,907
— Total Non-Current		-	-
		<u>1,423,210</u>	<u>1,438,907</u>
Less annual leave entitlements		-	-
Financial liabilities as trade and other payables		<u>1,423,210</u>	<u>1,438,907</u>

Note 12 Other Financial Liabilities

	Note	2009 \$	2008 \$
CURRENT			
Financial guarantees	15	-	-

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH ABN: 44 673 398 674
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

Note 13 Provisions

	2009	2008
CURRENT	\$	\$
Short-term Employee Benefits		
Opening balance at beginning of year	1,830,911	1,893,104
Additional provisions raised during year	218,059	137,807
Amounts used	-	-
Balance at end of the year	<u>2,046,970</u>	<u>1,830,911</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>
Analysis of Total Provisions	2009	2008
Current	\$ 2,046,970	\$ 1,830,911
Non-current	-	-
	<u>2,046,970</u>	<u>1,830,911</u>

Provision for Long-term Employee 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(g).

Note 14 Capital and Leasing Commitments

	Note	2009	2008
		\$	\$
(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		323,752	290,287
— between 12 months and five years		385,119	225,380
— greater than five years		-	-
		<u>708,871</u>	<u>515,667</u>
(b) Capital Expenditure Commitments			
Capital expenditure commitments contracted for:			
Plant and equipment purchases		-	-
Capital expenditure projects		250,000	-
		<u>250,000</u>	<u>-</u>
Payable			
— not later than 12 months		250,000	-
— between 12 months and five years		-	-
— greater than five years		-	-
		<u>250,000</u>	<u>-</u>

Note 15 Contingent Liabilities and Contingent Assets

	2009	2008
	\$	\$
Estimates of the potential financial effect of contingent liabilities that may become payable:		
Contingent Liabilities		
Autopay arrangement	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

Note 16 Segment Reporting

The entity operates predominately in one business and geographical segment being the provision of union services to its members in Victoria, Australia.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH ABN: 44 673 398 674
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

Note 17 Cash Flow Information

	2009	2008
	\$	\$
(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	(569,682)	521,913
Non-cash flows in profit		
Depreciation	283,426	66,675
Impairment of property, plant and equipment		
Net gain on disposal of property, plant and equipment	(226)	(533)
Net gain on disposal of investments	-	-
Changes in assets and liabilities		
(Increase)/decrease in trade and term debtors	568,461	(204,543)
(Increase)/decrease in other assets	(46,569)	96,548
Increase/(decrease) in payables	(15,697)	515,893
Increase/(decrease) in provisions	216,059	137,807
	435,772	1,133,760

(b) Credit Standby Arrangement and Loan Facilities

The entity has a bank overdraft and commercial bill facility amounting to nil.

Note 18 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, 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 14 May 2010 by management.

Note 19 Information to be provided to Members or General Manager

In accordance with requirements of the Fair Work (Registered Organisations) Act 2009, 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 the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(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 20 Officers Remuneration

In accordance with the Reporting Guidelines made under the Fair Work (Registered Organisations) Act 2009 employee benefits to holders of office of the reporting unit for the year ended 31 December 2009 was \$1,535,491.

In accordance with the Reporting Guidelines made under the Fair Work (Registered Organisations) Act 2009 employee benefits to employees (other than holders of office) of the reporting unit for the year ended 31 December 2009 was \$6,084,980.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH ABN: 44 673 398 674
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

Note 21 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.

	2009 \$	2008 \$
Opening Balance	656,764	427,705
Add funds collected from levy	889,818	840,484
Add donation and interest income	38,306	19,724
	928,124	860,208
Total funds available	1,584,888	1,287,913
Less amounts paid for Public Education purposes	-178,613	-631,149
Funds available for Public Education campaign purposes as at 31 December	1,406,275	656,764
Public Education bank account at year end	1,361,544	534,635
Add amounts under/(over) remitted to Public Education account by AEU Vic Branch	44,731	122,129
	1,406,275	656,764
<u>Source of funds</u>		
Excess of income over campaign spending	749,511	229,059
Reduction in bank account	-	-
Increase in amount owing by Public Education Campaign to AEU Vic Branch	-	-
Reduction in amount owing by AEU Vic Branch to Public Education Campaign	77398	-
	826,909	229,059
<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	826,909	19,937
	826,909	229,059

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.

	2009 \$	2,008 \$
Opening Balance	25,341	24,078
Add donation and interest income	896	1,263
Total funds available	26,237	25,341
Less amounts paid for Certified Agreement Levy purposes	-	-
Funds available for Certified Agreement Levy purposes as at 31 December	26,237	25,341
Certified Agreement Levy bank account at year end	26237	25341
Add amounts under/(over) remitted to Certified Agreement Levy account by AEU Vic Branch	-	-
	26,237	25,341
<u>Source of funds</u>		
Reduction in amount owing by AEU Vic Branch/Increase in amount owed to AEU Vic Branch	-	13,000
Donation and interest income	896	1,263
	896	14,263
<u>Application of funds</u>		
Increase in bank account	896	14,283
Reduction in amount owed to AEU Vic Branch/Increase in amount owed by AEU Vic Branch	-	-
	896	14,263

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH ABN: 44 673 398 674
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

Note 22 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, loans to and from subsidiaries, bills and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2009 \$	2008 \$
Financial Assets			
Cash and cash equivalents	6	5,397,528	5,600,565
Loans and receivables	7(b)	-	-
Available-for-sale financial assets			
— Equity investments	9(a)	-	-
		5,397,528	5,600,565
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	11(a)	-	-
— Borrowings		-	-
		-	-

Financial Risk Management Policies

The entity's overall risk management strategy seeks to assist the entity in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by Branch Council on a regular basis. These include the credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

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

(a) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The entity is also exposed to earnings volatility on floating rate instruments.

The net effective variable interest rate borrowings (i.e. unhedged debt) exposes the entity to interest rate risk which will impact future cash flows and interest charges and is indicated by the following floating interest rate financial liabilities:

Floating rate instruments	Note	2009 \$	2008 \$
Bank overdrafts		-	-
		-	-

(b) Liquidity risk

Liquidity risk arises from the possibility that the entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The entity manages this risk through the following mechanisms:

- preparing forward looking cash flow analyses in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Financial guarantee liabilities are treated as payable on demand since the entity has no control over the timing of any potential settlement of the liability.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will roll forward.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH ABN: 44 673 398 674
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Bank overdrafts and loans	-	-	-	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-	-	-	-
Trade and other payables (excluding est. annual leave)	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-
Financial guarantees	-	-	-	-	-	-	-	-
Total contractual outflows	-	-	-	-	-	-	-	-
less bank overdrafts	-	-	-	-	-	-	-	-
Total expected outflows	-	-	-	-	-	-	-	-
Financial Assets - cash flows realisable								
Cash and cash equivalents	5,397,528	5,600,565	-	-	-	-	5,397,528	5,600,565
Trade, term and loan receivables	381,979	950,440	-	-	1,539,796	1,770,218	1,921,775	2,720,658
Other current assets	267,185	220,616	-	-	-	-	267,185	220,616
Total anticipated inflows	6,046,692	6,771,621	-	-	1,539,796	1,770,218	7,586,488	8,541,839
Net (outflow) / Inflow on financial instruments	6,046,692	6,771,621	-	-	1,539,796	1,770,218	7,586,488	8,541,839

(c) Foreign exchange risk

The entity is not exposed to fluctuations in foreign currencies.

(d) Credit risk

The entity has no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 7.

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. The trade receivables balances at 31 December 2009 and 31 December 2008 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

Credit risk related to balances with banks and other financial institutions is managed by the entity in accordance with approved Branch policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's (S&P) rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on S&P counterparty credit ratings.

	Note	2009 \$	2008 \$
Cash and cash equivalents			
— AA Rated		5,397,528	5,600,565
— A Rated		-	-
	6	5,397,528	5,600,565

(e) Price risk

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

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH ABN: 44 673 398 674
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the entity. Most of these instruments which are carried at amortised cost (i.e. term receivables, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the entity.

	Footnote	2009		2008	
		Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets					
Cash and cash equivalents	(i)	5,397,528	5,397,528	5,600,565	5,600,565
Trade and other receivables	(i)	1,921,775	1,921,775	2,720,658	2,720,658
Loans and advances – related parties	(ii)				
Investments – available for sale	(iii)	8,000,000	8,000,000	8,000,000	8,000,000
Total financial assets		15,319,303	15,319,303	16,321,223	16,321,223
Financial liabilities					
Trade and other payables	(i)	1,423,210	1,423,210	1,438,907	1,438,907
Bills of exchange and promissory notes	(iv)	-	-	-	-
Lease liability	(v)	-	-	-	-
Bank debt	(v)	-	-	-	-
Total financial liabilities		1,423,210	1,423,210	1,438,907	1,438,907

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for relating to annual leave which is not considered a financial instrument.
- (ii) Discounted cash flow models are used to determine the fair values of loans and advances. Discount rates used on the calculations are based on interest rates existing at reporting date for similar types of loans and advances. Differences between fair values and carrying values largely represent movements in the effective interest rate determined on initial recognition and current market rates.
- (iii) For listed available-for-sale financial assets, closing quoted bid prices at reporting date are used. Branch Council have determined that the fair values of unlisted available-for-sale financial assets at reporting date can be reliably measured, as there is an active market for these investments.
- (iv) Discounted cash flow models are used that incorporate a yield curve appropriate to the remaining maturity of the debenture, bill or promissory note.
- (v) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair value of fixed rate bank debt will differ to carrying values.

Sensitivity analysis

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

Year ended 31 December 2009	Profit	Equity
	\$	\$
+/- 2% in interest rates	76,901	76,901
+/- 2% in listed investments	-	-
Year ended 31 December 2008		
	Profit	Equity
	\$	\$
+/- 2% in interest rates	87,586	87,586
+/- 2% in listed investments	-	-

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH ABN: 44 673 398 674
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

Note 23 Detailed Income and Expenditure Statement

INCOME	Note	2009 \$	2008 \$
Certified Agreement Levy	21	896	1,263
Interest		247,274	375,627
Membership Subscriptions		16,026,821	14,449,886
Other Income		68,366	73,946
Profit/(Loss) on Sale of Furniture & Equipment		226	533
Worksafe Funding		-	180,000
Work Partners Rebates		10,017	-
Donations - Vic Bushfire		41,890	-
Public Education Campaign Levy	21	928,124	860,208
Total Income		<u>17,323,414</u>	<u>15,941,463</u>
EXPENSES			
Affiliation Fees		1,633,475	1,697,660
Campaigns			
Certified Agreement Levy	21	-	-
Other Campaigns		181,395	699,987
Public Education Campaign Levy	21	176,613	631,149
Communications: Telephone, Fax & Internet		214,179	180,491
Conferences			
Annual Conference		18,566	10,605
Other Conferences & Forums		71,376	63,457
Donations		18,090	45,800
Equipment			
Furniture, Computer & Equipment Sundry Items		53,593	313,605
Depreciation		283,426	66,675
Lease & Rental Costs		81,067	81,827
Maintenance Of Computers & Equipment		122,950	24,869
Functions and Farewells		11,303	4,927
Legal Expenses		830,557	549,015
Library/Information Services		18,963	23,553
Membership Services		3,265,242	1,200,198
Motor Vehicle Fleet Costs		673,041	499,972
Miscellaneous		4,739	3,987
Office Expenses			
Audit		21,300	20,045
Bad Debts Written Off		-	50
Bank Charges		665	1,986
Office Requisites & Paper		55,351	46,669
Postage		76,253	85,541
Subscription Collection Costs		120,419	105,841
Publications		609,691	597,347
Regional Offices: Rent, Rates, Telephone, etc		181,570	174,597
Rent and Outgoings: Trenerry Crescent		346,521	327,310
Salaries			
Annual Leave		98,021	45,305
Fringe Benefits Tax		38,378	358
Insurance		61,054	57,665
Leadership & Others		6,476,319	5,857,109
Long Service Leave		284,599	101,651
Other Salary Costs		94,960	151,946
Payroll Tax		331,527	333,149
Sick Leave		-	914
Staff Benefits Reserve		-	-
Superannuation		1,044,815	938,302
Training		86,339	15,003
Teams		10,651	-
Workcover		78,898	117,962
Structures		291,241	280,425
Travel Expenses		63,949	62,378
Total Expenses		<u>17,893,096</u>	<u>15,419,550</u>
Operating Surplus/(Loss)		<u>(569,682)</u>	<u>521,913</u>
Impairment of financial assets		-	-
SURPLUS/(LOSS) FOR THE YEAR		<u>(569,682)</u>	<u>521,913</u>

Note 24 Entity Details

The registered office of the entity is:

Australian Education Union Victorian Branch
 112 Trenerry Crescent
 ABBOTSFORD VIC 3067

The principal place of business is:

Australian Education Union Victorian Branch
 112 Trenerry Crescent
 ABBOTSFORD VIC 3067



AUSTRALIAN EDUCATION UNION

Victorian Branch

112 Trenerry Crescent Abbotsford 3067
PO Box 363 Abbotsford 3067

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COMMITTEE OF MANAGEMENT STATEMENT

On 14 May 2010 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 2009.

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: 14 / 05 / 2010

**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 2009. 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 Fair Work (Registered Organisations) Act 2009. 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 Fair Work (Registered Organisations) Act 2009.

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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 is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.



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 : 21st May 2010