



11 November 2013

Mr Tony Mullen
Branch Secretary
Australian Education Union
Western Australian Branch
PO Box 6140
East Perth WA 6892
By email: gensec@sstuwa.org.au

Dear Mr Mullen

**Fair Work (Registered Organisations) Act (RO Act)
Financial Reports for financial years ended 30 June 2010 [FR2010/2746], 2011
[FR2011/2751] and 2012 [FR2012/429]**

I acknowledge receipt of the following documents which were lodged with the FWC by email on 4 November 2013:

- A copy of the agreement between the SSTUWA and ATU (former name of the AEU) to pay capitation fees to the AEU. The agreement was endorsed by the ATU Annual Conference on 29 January 1993.
- Letter from the reporting unit to FWC dated 31 October 2013 responding to FWC's letter of 28 May 2012.
- A copy of SSTUWA's Administrative Committee decision dated 25 August 2010 to pay \$10,000 to the reporting unit.
- Three new designated officer's certificates which post date the events to which the documents are certifying.


The financial reports for the years ended 30 June 2010, 30 June 2011 and 30 June 2012 have now been filed.

Please ensure that the reporting unit remedy the issues that were noted in our letter of 29 October 2013 when preparing future financial reports. Also please take note of the changes to the RO Act and the General Manager's Reporting Guidelines. The changes to the Reporting Guidelines are available on this link:

<http://www.fwc.gov.au/index.cfm?pagename=regorgsfrguidelines#finance>

If you have any questions regarding this letter please do not hesitate to contact me on (03) 8661 7915. I work part-time Tuesdays to Fridays.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Cynthia Lo-Booth', with a stylized flourish at the end.

Cynthia Lo-Booth
Senior Adviser
Regulatory Compliance Branch



Australian Education Union (W.A. Branch)

P.O. Box 6140, East Perth W.A. 6892
Freecall: 1800 199 073
President: **A. Gisborne**
Secretary: **Tony Mullen**

Telephone: 9210 6000
Facsimile: 9210 6001
Email: inquiries@sstuwa.org.au

Our Ref: TM:SS:13-15323

04 November 2013

Cynthia Lo-Booth
Regulatory Compliance Branch
Fair Work Commission
GPO Box 1994
MELBOURNE VIC 3001

Dear Cynthia

I am in receipt of your letter dated 29 October 2013.

In order to address the matters that require immediate attention for the 2010, 2011 and 2012 financial reports, I advise as follows:

- a) Please find enclosed, a copy of the agreement by the SSTUWA to pay capitation fees to the AEU as endorsed by SSTUWA executive on 29 January 1993.

The draft letter received by Fair Work Australia on 30 August 2012 is now finalised and enclosed dated 31 October 2013.

- b) Please find enclosed a copy of the SSTUWA decision dated 25 August 2010 regarding the \$10,000 payment to the reporting unit.
- c) Please find attached three new designated officer's certificates dated 04 November 2013.

I am hopeful that this fulfils the reporting requirements for 2010, 2011 and 2012 and I apologise on behalf of the organisation for the delays in tabling certain matters to the Regulatory Compliance Branch of the Fair Work Commission.

I will now turn my attention to the matters to be remedied for 2013 and beyond.

Yours sincerely

Tony Mullen
Branch Secretary, AEU (WA) Branch

Enclosures



Australian Education Union (W.A. Branch)

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Our Ref: TM:SS:13-15346

31 October 2013

Ms Maryanne Guina
Organisations, Research and Advice
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001

Dear Ms Guina

I apologise for the delay in responding to your letter dated 28 May 2012. Please be advised that I was elected as Branch Secretary of the AEU (WA) Branch at the June 2011 General Meeting and so this response covers the time period for which I am responsible as an Officer of the AEU (WA) Branch.

Re: Financial Reports for the Australian Education Union, Western Australia Branch for year ended 30 June 2010 and 2011 – FR2010/2746 & FR2011/2751

We emailed another copy of the financial reports for years ended 30 June 2010 and 30 June 2011 to you on 27 August 2012.

Re: Provision of Operating Reports and Designated Officer's Certificates

You requested Operating Reports and Designated Officer's Certificates to be lodged with FWA. Please find attached the report for 2011.

Re: Statement of Comprehensive Income

Note 2 of the notes to the Financial Statements is incorrect. The AEU (WA) Branch did receive \$10,000 from the SSTUWA on 31 August 2010. We apologise for the incorrect statement in Note 2.

Re: Notes to the Financial Statements

The SSTUWA pays a capitation fee to the AEU, not the AEU (WA). An agreement for such between the SSTUWA and the AEU has been in place since the 1990s.

Please do not hesitate to contact me if a further report is required from the AEU (WA) Branch to facilitate compliance with the requirements of the Fair Work (Registered Organisations) Act 2009.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mullen', written in a cursive style.

Tony Mullen
Branch Secretary, AEU (WA) Branch

E. 234

Report to Executive

29 January 1993

SSTUWA/ATU Agreement

From: General secretary

The Agreement (attached) was endorsed by the ATU Annual Conference.

It is recommended that the Executive also endorse the Agreement which will enable it to be signed and hasten on end to the totally unworkable arrangements currently in place.

RESOLVED:

That on behalf of the SSTUWA, the Executive endorse the SSTUWA/ATU Agreement.

Hayward/Bunney

CARRIED

Gen Sec 15.2.93

letter to ATU 23/2/93

FEE FOR SERVICE AGREEMENT

BETWEEN

AUSTRALIAN TEACHERS UNION

AND

STATE SCHOOL TEACHERS UNION OF WESTERN AUSTRALIA INC.

1. The Australian Teachers Union shall ensure representation of SSTUWA nominees on ATU committees and working parties by taking the following actions:
 - 1.1 Ensuring that the SSTUWA is informed of all ATU meetings and working parties.
 - 1.2 Forwarding all ATU Action and Information Circulars to the SSTUWA on national issues.
 - 1.3 Ensuring that SSTUWA nominee/s are funded to attend all national meetings within budget guidelines, unless Federal Executive decides that a committee or working party has a particular composition.
 - 1.4 That a nominee of the SSTUWA will be funded to attend all Federal Executive meetings.
2. The ATU recognises that the SSTUWA is the state registered union before the W.A. Industrial Relations Commission and as such represents government teachers in Western Australia on state industrial issues. The SSTUWA recognises that the Australian Teachers Union is the federally registered union before the Australian Industrial Relations Commission and as such represents Australian government teachers on national industrial issues.

Within this context, the ATU and the SSTUWA agree to work with the utmost co-operation to ensure that SSTUWA industrial interests are represented at the national level through the ATU.

That the SSTUWA agree to pay an amount equivalent to the membership capitation fees and levies as decided by the ATU Federal Conference directly to the ATU Federal Fund on the following basis:

- 3.1 That the 1992 fourth quarter capitation fees and levies as decided by 1992 ATU Annual Conference be paid by ex gratia payment once the 1993 ATU Annual Conference endorses this agreement.
- 3.2 That an amount equivalent to the 1993 ATU capitation fees and levies as decided by 1993 Conference will be paid by the SSTUWA directly to the ATU Federal Fund on the due date as decided by Conference.
- 3.3 That the SSTUWA shall make a fee for service payment to the ATU Federal Fund equivalent to the ATU capitation fees and levies as decided by Annual Conference on behalf of those teachers who were members of the SSTUWA but not members of the ATU as at 30/6/92.

It is recognised by the ATU and SSTUWA that membership records of the ATU (WA) Branch have not been kept in accordance with the regulations of the Australian Industrial Relations Commission since January 1990. In order to ensure these membership records meet these regulations the SSTUWA undertakes to carry out the following steps on behalf of the ATU Federal Executive:

- 4.1 To advise all SSTUWA members who have resigned from the SSTUWA since January 1990 that they are unfinancial members of the ATU (WA) Branch and unless they advise the Federal Secretary that they wish to maintain their membership of the ATU within 30 days they shall be deleted from the ATU (WA) membership list.

- 4.2 The SSTUWA will process any ATU membership application received by them on behalf of the ATU.
- 4.3 The SSTUWA shall offer membership of the ATU to teachers who also express an intention to join the SSTUWA.
5. As soon as possible the SSTUWA with the support of the ATU will make further application to the WA Industrial Relations Commission for the insertion of a Dual Membership rule in the Rules of the SSTUWA.
6. If the application outlined in 5 is unsuccessful, the SSTUWA shall recruit SSTUWA members who are not ATU members on behalf of the ATU. This recruitment shall be carried out by organisers in schools and college visits and through direct mail where appropriate. The ATU shall meet the cost of direct mail.
7. The ATU will take all steps possible to ensure that the Rules of the ATU W.A. Branch mirror the Rules of the SSTUWA so that Branch Officer, Executive and Council elections and Federal delegate elections to be conducted in 1993 be held in accordance with these Rules. If necessary these steps shall include application to the Federal Court under Section 259 of the Industrial Relations Act 1988.
8. On the signing of this agreement by the SSTUWA and the ATU, the "agreement" between the SSTUWA and the ATU (WA Branch) of 23 March 1984 is null and void.

Signed for
Australian Teachers Union

Signed for
State School Teachers Union
of Western Australia

.....
Date:

.....
Date:

Administrative Committee 25 August 2010

313. From Accounts (Sally Butterworth), Re: Transfer Funds

To keep the account for the Australian Education Union – WA Branch we wish to transfer funds from the State School Teachers' Union operating account to the AEU account – Commonwealth Bank the amount of \$10,000.00

RESOLVED:

That this be noted.



Australian Education Union (W.A. Branch)

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04 November 2013

The Delegate to the General Manager
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001

BRANCH SECRETARY'S CERTIFICATE

Section 268 of Fair Work (Registered Organisations) Act 2009

I, Tony Mullen, Branch Secretary, being the officer responsible for keeping the accounting records of the AEU (WA) Branch, certify:

- that the documents lodged with the Fair Work Commission for the financial year ended 30 June 2010 is a copy of the full report referred to in Section 268 of the Fair Work (Registered Organisations) Act 2009.
- that the full report was presented to a meeting of the committee of management of the reporting unit on 01 & 02 November, and
- that the full report was provided to members on 18 October 2013 via the members' website.

Yours sincerely

Tony Mullen
Branch Secretary, AEU (WA) Branch



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Yours sincerely

Tony Mullen
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- that the full report was presented to a meeting of the committee of management of the reporting unit on 01 & 02 November 2013, and
- that the full report was provided to members on 18 October 2013 via the members' website.

Yours sincerely

Tony Mullen
Branch Secretary, AEU (WA) Branch



29 October 2013

Mr Tony Mullen
Branch Secretary
Australian Education Union
Western Australian Branch
PO Box 6140
East Perth WA 6892

By email: gensec@sstuwa.org.au

Dear Mr Mullen

**Fair Work (Registered Organisations) Act (RO Act)
Financial Reports for financial years ended 30 June 2010 [FR2010/2746], 2011
[FR2011/2751] and 2012 [FR2012/429]**

I acknowledge receipt of the amended financial reports inclusive of the operating reports and designated officer's certificates for each of the financial years ended 30 June 2010, 2011 and 2012 for the Australian Education Union, Western Australian Branch ("the reporting unit"). The electronic copies were lodged with the Fair Work Commission ("FWC") on 17 October and the hard copies were received on 22 October 2013.

A. Matters that require immediate attention for 2010, 2011 and 2012 financial reports

I require further information from the reporting unit. Please provide the following by 4 November 2013 to assist in filing the financial reports:

- a. A copy of the agreement by SSTUWA to pay capitation fees to the AEU and a final copy of the letter responding to the FWC letter of 28 May 2012. I had asked for this in my letter to you dated 16 July 2013. I have attached a copy of this draft letter for your convenience.
- b. In the operating report for year ended 30 June 2011, under the heading "Financial Affairs" the SSTUWA Administrative Committee resolved to pay \$10,000 to the reporting unit on 25 August 2010. The report advises that a copy of the decision is attached however this does not appear so. Please provide a copy of the SSTUWA decision of 25 August.
- c. Each of the designated officer's certificates are signed on 17 October 2013 but certifies that each of the full reports will be provided to members on the following day. It is not acceptable to certify to a future event. I require lodgement of three new designated officer's certificates that have been signed after the date the full reports were provided to members.

B Matters that must be remedied in future financial reports

The following is a list of other compliance issues for the reporting unit to note and remedy when preparing future financial reports. Please ensure the following matters are attended to in future, failure to do so may result in FWC refusal to file the report without further action by the reporting unit.

1. The designated officer's certificate and the operating report must always be prepared and lodged with the financial report and auditor's report.
2. The reporting unit is consistently late in lodging their full reports with FWC. Much of the tardiness is due to the operating report and the designated officer's certificate not being prepared and lodged. Please refer to attached timeline to assist in prompt lodgement of financial documents with FWC.
3. References to the 'Industrial Registrar', 'Registrar', 'the RAO Schedule' and 'RAO Regulations' are obsolete. Since 2009 the new legislation took effect. The Industrial Registrar/ Registrar is now the 'General Manager'. The RAO Schedule and RAO Regulations are now the 'Fair Work (Registered Organisations) Act' and Fair Work (Registered Organisations) Regulations'. We also refer to them as the RO Act and RO Regulations. Please ensure these terms are used particularly in the committee of management statement (Branch Council statement).
4. The committee of management statement (Branch Council statement) must include a paragraph regarding whether *the financial records have been kept, as far as practicable in a consistent manner with other AEU Branches (other reporting units) of the organisation* (see Paragraph 41(e)(iv) of the [Reporting Guidelines](#)). This has always been a requirement in the Reporting Guidelines issued under s.255 of the RO Act. The guidelines are additional financial reporting obligations to the RO Act and RO Regulations.
5. The auditor must make it clear that he is an approved auditor as defined in reg.4 of the RO Regulations. In the signature block of the auditor's report the auditor should indicate whether he/she is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants and hold a current Public Practice Certificate. I note the firm is a firm of Chartered Accountants but the information must be provided in relation to the individual who has signed off the audit report (see paragraph 44 of the [Reporting Guidelines](#)).
6. The scope of the audit must include the committee of management statement (Branch Council statement). The committee of management statement forms part of the general purpose financial report according to s.253(2)(c) of the RO Act. I note this was only done in the audit for the financial year ended 30 June 2012 but not for the financial reports for years ended 30 June 2010 and 2011.
7. In the Notes to the financial statements under the heading "Related Party Information" a note should be included to state the SSTUWA pays capitation fee to the AEU and not to the AEU (WA Branch) based on an agreement between the SSTUWA and the AEU and specify when this arrangement has been in place. This would explain to members that there is no breach of rule 11(2)(a) of the AEU rules which provide that every each Branch is to pay capitation fees to the Federal Fund.

Additionally, a Note to the general purpose financial report regarding the financial dependency by the reporting unit on the SSTUWA may explain any going concern issues. For example, on the face of the financial reports year ended 30 June 2010 and 30 June

2012 there are going concerns issues (although not mentioned by the auditor) - the reporting unit made a loss of \$3,552 and \$1,936 and only had an equity amount of \$312 and \$6,400 respectively. Then the Notes further provides that the reporting unit does not generally receive an income but the Branch Council statement provides that the committee believes the branch will be able to pay its debts when they become payable. This information appears to be conflicted without the disclosures regarding the financial dependency and the arrangement between the reporting unit and the SSTUWA.

Every financial report should provide this information so members can fully understand the financial report and the relationship between the SSTUWA and the reporting unit without having to refer to other documents.

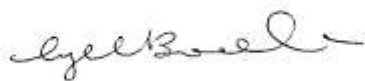
8. Additionally, a third edition to the General Manager's Reporting Guidelines was gazetted on 26 June 2013. These guidelines will apply to all financial reports that end on or after 30 June 2013. The responsibility is on the reporting unit and the auditor to be familiar with the new edition of the Reporting Guidelines. However, it should be noted that paragraphs 34 and 45 appear to be relevant to AEU WA Branch. Paragraph 34 provides that where the reporting unit's financial affairs are administered by another entity (such as SSTUWA) the reporting unit must disclose a detailed breakdown of all services provided and/or expenses incurred. Paragraph 45 requires the auditor's statement to include a declaration regarding management's use of the going concern basis of accounting in preparing the financial statement is appropriate.

Along with the new edition Guidelines a set of model financial statements have been developed as a resource for reporting units to ensure compliance with the RO Act, RO Regulations, Reporting Guidelines and the Australian Accounting Standards. Both the latest Reporting Guidelines and the Model Financial Statements are available on the website here:

<http://www.fwc.gov.au/index.cfm?pagename=regorgsfrguidelines#finance>

If you have any questions regarding this letter please do not hesitate to contact me on (03) 8661 7915. I work part-time Tuesdays to Fridays.

Yours sincerely



Cynthia Lo-Booth
Senior Adviser
Regulatory Compliance Branch



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17 October 2013

The Delegate to the General Manager
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001

BRANCH SECRETARY'S CERTIFICATE

Section 268 of Fair Work (Registered Organisations) Act 2009

I, Tony Mullen, Branch Secretary, being the officer responsible for keeping the accounting records of the AEU (WA) Branch, certify:

- that the documents lodged with the Fair Work Commission for the financial year ended 30 June 2011 is a copy of the full report referred to in Section 268 of the Fair Work (Registered Organisations) Act 2009.
- that the full report was presented to a meeting of the committee of management of the reporting unit on 14 October 2013, and
- that the full report was provided to members on 18 October 2013 via the members' website.

Yours sincerely

Tony Mullen
Branch Secretary, AEU (WA) Branch

AUSTRALIAN EDUCATION UNION WESTERN AUSTRALIAN BRANCH

Operating Report

30 June 2011

Your Branch Executive submit the financial report of the Australian Education Union Western Australian Branch ("the reporting unit") for the financial year ended 30 June 2011.

Principal Activities

The principal activities of the reporting unit during the financial year were:

- To maintain and improve the working conditions and professional welfare of its members.
- Be a professionally managed and democratic Union which provides maximum opportunities for membership involvement in its activities.
- Provide a wide range of appropriate services and benefits to members.
- Work towards ensuring a just and equitable society, including by promoting actively public education, training and unionism.

It is noted that during the financial year, the activities of the reporting unit were suitably carried out.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The profit / (loss) from ordinary activities amounted to \$8,024.00 for the period ending 30 June 2011 [2010: (\$3,552.00)].

Financial Affairs

There was a significant change to the financial affairs of the Branch during the year being funds received of \$10,000.00 paid by the SSTUWA. The decision was made by the Administrative Committee of the SSTUWA on 25 August 2010 (copy attached).

Payments to Employers

The reporting unit did not make any payments during the financial year to employers as consideration for the employees making payroll deductions of membership subscriptions.

Superannuation Trustees / Directors

There are no members or officers of the reporting unit that are trustees or directors of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Number of Members

14,316 members for year ended 30 June 2011.

Number of Employees

0 employees for year ended 30 June 2011.

Right to Resign

Resignation from membership and termination of eligibility for membership is regulated by Rule 17 of the Federal Rules.

A member may resign from membership of the Union by written notice addressed to and delivered to the Secretary of the Branch to which the member is attached.

AUSTRALIAN EDUCATION UNION WESTERN AUSTRALIAN BRANCH

Operating Report

30 June 2011

**Names and positions of the Committee of Management for the financial year 01 July
2010 to 30 June 2011 were:**

BRANCH PRESIDENT

Anne Gisborne

BRANCH DEPUTY PRESIDENT

Patricia Burke

BRANCH SECRETARY

David Kelly (resigned 12 June 2011)

Tony Mullen (from 12 June 2011)

BRANCH DEPUTY SECRETARY

Patricia Byrne

BRANCH EXECUTIVE

Gloria Rogerson (resigned 12 June 2011)

Robyn Parker

Kay Cairns

Geoff Bunn

Lois Neagle

Katrina Hosking

Lynetter Virgona

Trevor Vaughan

Natalie Beck (from 18 April 2011)

Caren Burns

Paul Bridge

Edmund Black

Colleen Mack

Leslie Bruce Banyard

Janet Edmondson (from 12 June 2011)


Catherine Bunney

Graeme Repper

Marko Vojkovic (resigned 18 April 2011)

BRANCH COUNCILLORS

Gloria Rogerson
Robyn Parker
Kay Cairns
Geoff Bunn
Lois Neagle
Katrina Hosking
Lynette Virgona
Trevor Vaughan
Caren Burns
Paul Bridge
Edmund Black
Colleen Mack
Leslie Bruce Banyard
Catherine Bunney
Graeme Repper
Natalie Beck
Jennifer Broz
Patricia Burke
Patricia Byrne
Jean-Marie Chedid
Glen Cookson
Waarata Da Silva
Katrina Di Felice
Zena Dyer
Janet Edmondson
Ross Rallen
Gary Gibbon
Anne Gisborne
Kaye Hosking
Claire Howard
David Kelly
Bob O'Neill
Wendy Perriam
Marko Vojkovic (resigned 18 April 2011)
Tony Mullen (from 18 April 2011)

 27/9/13

Tony Mullen
AEU (WA) Branch Secretary

**AUSTRALIAN EDUCATION UNION
(WA BRANCH)
ABN 87 305 684 382**

**FINANCIAL STATEMENTS
30 JUNE 2011**

**DRY KIRKNESS
Chartered Accountants
West Perth**

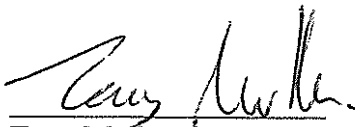
AUSTRALIAN EDUCATION UNION (WA BRANCH)

STATEMENT BY THE BRANCH COUNCIL

It is the opinion of the Branch Council of the Australian Education Union, Western Australian Branch that:

1. The financial statements and notes comply with the Australian Accounting Standards;
2. The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
3. The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year to which they relate;
4. There are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
5. During the financial year ending 30 June 2011 and since the end of that year:
 - a. Meetings of the branch council were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - b. The financial affairs of the Branch have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - c. The financial records of the Branch have been kept and maintained in accordance with RAO schedule and the RAO regulations; and
 - d. The information sought in any request of a member of the Branch or a Registrar duly made under section 272 of the RAO schedule has been furnished to the member or Registrar; and
 - e. There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO schedule.

This statement is made in accordance with a resolution on 20 October 2011 of the Branch Council and is signed for and on behalf of the Council by:



Tony Mullen
Branch Secretary
AEU (WA Branch)

Dated: 20 October 2011
Perth, Western Australia



DRY KIRKNESS
CHARTERED ACCOUNTANTS
ABN 40 929 149 789

LEVEL 3, 35 OUTRAM STREET
WEST PERTH, WESTERN AUSTRALIA 6005
PO BOX 166, WEST PERTH, 6872
TELEPHONE: (08) 9481 1118
FACSIMILE: (08) 9481 5153
EMAIL: dk@drykirkness.com.au
INTERNET: www.drykirkness.com.au

INDEPENDENT AUDITOR'S REPORT

To the members of Australian Education Union (WA Branch)

Liability limited by a scheme approved
under the Professional Standards Legislation.

We have audited the accompanying financial statements of Australian Education Union (WA Branch), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

Branch Council's Responsibility for the Financial Statements

Branch Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards-Reduced Disclosure Requirements and the Fair Work (Registered Organisations) Act 2009, as amended, and for such internal control as Branch Council determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility


Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, and whether or not the branch's officials have complied with the Fair Work (Registered Organisations) Act 2009, as amended.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 Branch Council, as well as evaluating the overall presentation of the financial statements.

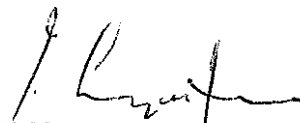
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Australian Education Union (WA Branch) as at 30 June 2011, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards-Reduced Disclosure Requirements and the Fair Work (Registered Organisations) Act 2009, as amended.



DRY KIRKNESS
Chartered Accountants



P J LAMPRELL-JARRETT
Partner

Date: 20 October 2011
West Perth
Western Australia

AUSTRALIAN EDUCATION UNION (WA BRANCH)

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

	NOTE	2011	2010
CURRENT ASSETS			
Cash and cash equivalents	3	8,339	22
Receivables	4	-	290
		-----	-----
TOTAL CURRENT ASSETS		8,339	312
		-----	-----
TOTAL ASSETS		8,339	312
		-----	-----
CURRENT LIABILITIES			
Payables	5	3	-
		-----	-----
TOTAL CURRENT LIABILITIES		3	-
		-----	-----
TOTAL LIABILITIES		3	-
		-----	-----
NET ASSETS		8,336	312
		=====	=====
MEMBERS' FUNDS			
Accumulated Funds		-----	-----
TOTAL MEMBERS' FUNDS		\$8,336	\$ 312
		=====	=====

The accompanying notes form part of these financial statements

AUSTRALIAN EDUCATION UNION (WA BRANCH)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	NOTE	2011 \$	2010 \$
Revenue		10,000	-
Administration expenses		(1,976)	(3,552)
		-----	-----
Profit/(loss) from ordinary activities before income tax expense		8024	(3,552)
		-----	-----
Income tax expense relating to ordinary activities 1(a)		-	-
		-----	-----
Net profit/ (loss) from ordinary activities after income tax expense attributable to the entity		\$8,024	\$ (3,552)
		=====	=====

The accompanying notes form part of these financial statements

AUSTRALIAN EDUCATION UNION (WA BRANCH)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2009	3,864	3,864
Profit attributable to members	(3,552)	(3,552)
Balance at 30 June 2010	312	312
Profit attributable to members	8,024	8,024
Balance at 30 June 2011	\$8,336	\$8,336

The accompanying notes form part of these financial statements

AUSTRALIAN EDUCATION UNION (WA BRANCH)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011**

	NOTE	2011 \$ Inflow (Outflow)	2010 \$ Inflow (Outflow)
Cash flows from operating activities:			
Receipts			
GST Refund			-
Funds received from/ (paid to) related entity		10,000	(50)
Payments for expenses		1,683	(3,842)
		-----	-----
Net cash inflows/(outflows) from operating activities		8,317	(3,892)
Cash inflows/(outflows) from investing activities		-	-
Cash inflows/(outflows) from financing activities		-	-
		-----	-----
Net increase/(decrease) in cash held	6	8,317	(3,892)
Cash at the beginning of the financial year		22	3,914
		-----	-----
Cash at the end of the financial year	3	\$8,339	\$ 22
		=====	=====

The accompanying notes form part of these financial statements

AUSTRALIAN EDUCATION UNION (WA BRANCH)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover the Australian Education Union (WA Branch) as an individual entity.

Basis of Preparation

Australian Education Union (WA Branch) (the "Branch") has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July 2009.

These Accounting Standards are not required to be applied until annual reporting periods beginning on or after 1 July 2013.

AASB1053 establishes a differential financial reporting framework consisting of two tiers of reporting requirements for general purpose financial statements:

- >Tier 1 -Australian Accounting Standards
- >Tier 2 -Australian Accounting Standards- Reduced Disclosure Requirements (RDR).

AASB 2010-2 makes amendments to each Standard and Interpretation indicating the disclosures not required to be made by Tier 2 entities or inserting RDR paragraphs requiring simplified disclosures for Tier 2 entities.

The Branch complies with Australian Accounting Standards- Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board.

The adoption of these Standards has resulted in significantly reduced disclosures in respect of related parties and financial instruments. There was no other impact on the current or prior year financial statements.

The financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards' reduced disclosure requirements of the Australian Accounting Standards Board in order to satisfy the financial reporting requirements of the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

AUSTRALIAN EDUCATION UNION (WA BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Income Tax

The Branch Council believes the Branch income is exempt from income tax.

b) Revenue and Other Income

The Branch does not generally receive any revenue except for occasional donations. The Branch did not receive any revenue for the current year.

c) Expenditure

Expenses such as bank charges are incurred and charged to Income statement when incurred. Other administrative expenses are paid by the State School Teachers' Union of Western Australia, a related entity.

d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks and other short term highly liquid investments with original maturities of three months or less.

e) Financial Instruments

The Branch does not have any financial instruments. Those financial instruments that do exist during the year are charged at fair value to profit and loss account.

f) 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 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 statement of financial position are shown inclusive of GST.

g) Comparative Figures

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

These financial statements were authorised for issue on 20 October 2011.

AUSTRALIAN EDUCATION UNION (WA BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$

2. REVENUE

-

The branch did not receive any revenue during the year

3. CASH AND CASH EQUIVALENTS

CBA cheque account	8,339	22
	\$8,339	\$ 22

4. RECEIVABLES

GST refund	-	290
	\$ -	\$ 290

Current trade receivables are non-interest bearing loans. A provision for impairment is recognised against receivables where there is objective evidence that an individual trade receivable is impaired. No impairment was required at 30 June 2011 (2010: Nil).

Credit risk

The branch has no significant concentration of credit risk with respect to any single receivable or group of receivables.

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

5. PAYABLES

GST payable	3	-
	3	-

AUSTRALIAN EDUCATION UNION (WA BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

6. CASHFLOW INFORMATION

	2011	2010
	\$	\$
Reconciliation between operating deficit and funds from operating activities		
Surplus/(Deficit) for year	8,024	(3,552)
Changes in assets and liabilities:		
(Increase)/decrease in receivables	290	(290)
Increase/(decrease) in payables	3	(50)
	-----	-----
Funds from operating activities	\$8,317	\$(3,892)
	-----	-----

7. RELATED PARTY INFORMATION

The Branch Council members are listed in the operating report. The members of the Branch Council act in a voluntary capacity and do not receive any remuneration for their services. Administration of the branch is carried out by staff employed by a related entity, the State School Teachers' Union of Western Australia, for which there is no charge. Other expenses are also paid directly by the State School Teachers' Union of Western Australia on behalf of the Branch.

8. KEY MANAGEMENT PERSONNEL REMUNERATION

The branch does not employ any staff (refer Note 7 Related Party Information)

9. FINANCIAL RISK MANAGEMENT

The branch's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

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

	Note	2011	2010
		\$	\$
Financial assets			
Cash and cash equivalents	3	8,339	22
Loans and receivables	4	-	290
		-----	-----
		8,339	312
		-----	-----
Financial liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	5	3	-
		-----	-----

AUSTRALIAN EDUCATION UNION (WA BRANCH)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

10. SUBSEQUENT EVENTS

There have been no significant events subsequent to balance date that will have an impact on the results or state of affairs of the Branch.

11. SEGMENT REPORTING

The Branch is the Western Australian Branch of the Australian Education Union and acts solely in Western Australia and in one business segment being in industrial relations activities for members of the Australian Education Union.

12. BRANCH DETAILS

The registered office of the Branch and its principal place of business is
150 – 152 Adelaide Terrace
East Perth WA 6004

13. SECTION 272(5) NOTICE

In accordance with Section 272(5) of the Fair Work (Registered Organisations) Act 2009, notice is given to draw attention to subsections 272(1), 272(2) and 272(3) as follows:

272(1) A member of a reporting unit, or the General Manager may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

272(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

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



17 July 2013

Mr Tony Mullen
Branch Secretary
Australian Education Union
Western Australian Branch
PO Box 6140
East Perth WA 6892

By email: gensec@sstuwa.org.au

Dear Mr Mullen

**Fair Work (Registered Organisations) Act (RO Act)
Financial Reports for financial years ended 30 June 2010 [FR2010/2746], 2011
[FR2011/2751] and 2012 [FR2012/429]**

I refer to the financial reports for the financial years ended 30 June 2010, 2011 and 2012 for the Australian Education Union, Western Australian Branch (the reporting unit). I also refer to the email you sent to FWA on 30 August 2012 with the following attachments - undated draft letter from yourself to MaryAnne Guina of the Fair Work Commission (FWC)¹ in response to the FWC letter of 28 May 2012; a draft Branch Secretary's certificate pertaining to the financial documents for year ended 30 June 2011; and a document entitled 'AEU (WA) Branch Councillors 2011'.

I apologise for the delay in responding to your email.

According to our records the reporting unit has lodged the general purpose financial report (GPFR)² and the signed auditor's report for each of the financial years ended 30 June 2010, 2011 and 2012.

I have examined the abovementioned financial reports and the on-going correspondence between FWA and the reporting unit. **None of the financial reports have been filed due to outstanding compliance requirements by the reporting unit.**

INSTRUCTIONS

I require the reporting unit to immediately attend to the following matters to facilitate the filing of the three financial reports. Please note that the instructions below are broken into separate

¹ Fair Work Australia changed its name to the Fair Work Commission on 1 January 2013. FWC will be used throughout the letter for consistency.

² The GPFR is made up of the following documents - statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flow, notes to the financial statements and a signed committee of management statement.

financial years as individual documents (such as the operating report, secretary's certificate) are required to be prepared and lodged for each financial year.

1. Financial report for year ended 30 June 2010 [FR2010/2746]

- 1.1 Immediately prepare, sign (by an elected officer) and date the operating report. The relevant provisions regarding the contents of an operating report are found in [s.254\(2\)](#) of the RO Act and [Reg.159 Fair Work \(Registered Organisations\) Regulations 2009](#). A good example of an operating report is attached for your assistance.
- 1.2 Immediately provide the reporting unit members a copy of the full report³. This can be done through the reporting unit's website.
- 1.3 Present the full report to a committee of management meeting (Branch Council) as soon as possible. Even if the financial report has previously been presented to a Branch Council meeting, this step must be repeated to include the operating report.
- 1.4 Prepare, sign, date and lodge with FWC a Branch Secretary's certificate along with the operating report (see 1.1) immediately after the Branch Council meeting. An example of a secretary's certificate is attached for your assistance.

2. Financial report for year ended 30 June 2011 [FR2011/2751]

- 2.1 Immediately prepare, sign and date the operating report.

The provision of a list of Branch Councillors for 2011 which was sent to FWC on 30 August 2012 does not satisfy the legislative requirements of an operating report. Regulation [159\(c\)](#) requires the disclosure of the name of each committee of management member and the period which he/she held such a position. The provision of their address or membership number is not required in an operating report.

- 2.2 Immediately provide the reporting unit members a copy of the full report.
- 2.3 Present the full report to a committee of management meeting (Branch Council) as soon as possible. Although the audited reports were presented at a committee of management meeting on 5 November 2011, this step must be repeated because it did not include the operating report.
- 2.4 Prepare, sign, date and lodge with FWC a Branch Secretary's certificate along with the operating report (see 2.1) immediately after the Branch Council meeting.

The Draft Branch Secretary's Certificate received on 30 August 2012 is not acceptable because the preparation of the operating report and provision of a copy of the full report to the members are not optional procedures. These are obligations required under [ss.254, 265 and 266](#) RO Act and are civil penalty provisions.

- 2.5 Regarding the undated draft letter addressed to Ms MaryAnne Guina which was written in response to the FWC letter dated 28 May 2012. This draft appears to sufficiently answer the queries of the FWC letter, with the exception of the agreement by SSTUWA paying capitation fees to the AEU. Can you please specify the name and date of the agreement? Then date, sign and lodge the amended letter with FWC after the word 'Draft' has been removed.

³ The full report is made up of the GPFR, the auditor's report and the operating report.

3. Financial report for year ended 30 June 2012 [FR2012/429]

- 3.1 Immediately prepare, sign and date the operating report.
- 3.2 Immediately provide the reporting unit members a copy of the full report.
- 3.3 Present the full report to a committee of management meeting (Branch Council) as soon as possible. Although the financial report was presented to the Branch Council on 6 December 2012, the operating report was not included. This step must be repeated.
- 3.4 Prepare, sign, date and lodge with FWC a Branch Secretary's certificate along with the operating report (see 3.1) immediately after the Branch Council meeting.

ADVICE

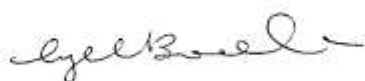
- **This requires your immediate attention.** Subsection 254(1) requires the operating report be prepared as soon as practicable after the end of each financial year. Subsection 265(1) requires the full report to be provided to members within a period of 5 months starting at the end of the financial year if the full report is presented to a committee of management. Subsection 266(1) requires the full report to be presented to a meeting of the committee of management within 6 months starting at the end of the financial year. Each of these subsections is a **civil penalty provision**.
- I understand that there is lot of work required in the above request. It is important that you keep me informed as to the progress of this matter. I require you to provide in writing the timeline of when the operating reports (x3) will be prepared, when the full reports (x3) inclusive of the operating reports are provided to members and when the Branch Council meeting is scheduled to present the full reports. Please provide this timeline to me by **26 July 2013**.
- Although the reporting unit is required to produce separate operating reports and secretary's certificates for each individual financial year, the full reports for each of the financial years can be presented at the one Branch Council meeting.

It appears in Rule 1(3) of the *AEU Federal Branch Rules in relation to the WA Branch*, the Branch President has the power to convene special meetings of the Branch Council. Notice of the meeting of at least seven clear must be given to each member of the Branch Council. Please ensure the Branch Council meeting complies with the requirements of the AEU rules.

- After the required additional documents (operating report and secretary's certificate) are lodged I will provide further advice as to other issues that I have noted in the lodged financial documents to assist your reporting unit when preparing *future* financial reports.

If you have any questions regarding this letter please do not hesitate to contact me on (03) 8661 7915. I work part-time Tuesdays to Fridays.

Yours sincerely



Cynthia Lo-Booth
Senior Adviser
Regulatory Compliance Branch



FAIR WORK
AUSTRALIA

28 May 2012

Mr Tony Mullen
Secretary
Australian Education Union, Western Australia Branch
email: inquiries@sstuwa.org.au

Dear Mr Mullen

Re: Financial Reports for the Australian Education Union, Western Australia Branch for year ended 30 June 2010 and 2011 – FR2010/2746 & FR2011/2751

Receipt of the above financial reports for Australian Education Union, Western Australia Branch (the Branch) for the years ended 30 June 2010 and 2011 was previously acknowledged on 9 January 2012. The reports were lodged with Fair Work Australia (FWA) on 6 January 2012.

The financial reports have not been filed.

The following matters require your attention before any action can be taken to file the above report.

Provision of Operating Reports and Designated Officer's Certificates

As indicated above, receipt of the financial reports was acknowledged on 9 January 2012 and included in the email was a request for the Operating Reports and Designated Officer's certificates to be lodged with FWA. Could the Branch lodge these documents with FWA. For your convenience I have attached a copy of the 2009 operating report and a sample designated officer's certificate is also attached.

Statement of comprehensive income

The statement of comprehensive income lists that the Branch received '\$10000' as revenue and the statement of cash flows also outlines that this amount was 'funds received from/ (paid to) related entity' while note 2 of the notes to the financial statements indicates that the 'branch did not receive any revenue during the year'. Could the Branch provide an explanation to FWA regarding which related party provided the amount to the Branch.

Notes to the financial statements

On 20 April 2010 correspondence was forwarded to the Branch in relation to the 2009 financial report and one of the items listed in the correspondence was as follows:

Capitation Fees payable to Australian Education Union

Note 1(c) of the notes to the financial statements contains information regarding 'Expenses' and includes the reference '*other administrative expenses are paid by the State School Teachers' Union of Western Australia, a related entity*'. Rule 11(7) of the Federal Rules of the Australian Education Union (the Rules) provides that members of an Associated body (as defined in 11(8)) are deemed to be financial members of the Union for the purposes of the Rules. Rule 64(2) of the Rules 'Capitation Fee' provides that '*a Branch shall not be required to pay a capitation fee to the Federal Secretary . . . where an Associated Body pursuant to an agreement referred to in sub-rule 11(7) pays an approved amount in accordance with the terms of the agreement*'.

The correspondence also requested that 'appropriate reference is made in the notes to the financial statements to the payment of capitation fees by the State School Teachers' Union of Western Australia to the Australian Education Union in accordance with the Rules.'

Could the Branch provide an explanation to FWA in relation to the payment of capitation fees by the State School Teachers' Union of Western Australia to the Australian Education Union in accordance with the Rules and provide confirmation that an agreement is in place in accordance with rule 11(7) of the Federal rules of the Australian Education Union.

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

Yours sincerely

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

Kevin Donnellan

Organisations, Research and Advice

Fair Work Australia

Email: kevin.donnellan@fwa.gov.au