



25 January 2022

Mr Matthew McGowan
General Secretary
National Tertiary Education Industry Union

By e-mail: national@nteu.org.au

Dear Mr McGowan

National Tertiary Education Industry Union
Financial Report for the year ended 30 June 2021 - FR2021/31

I acknowledge receipt of the financial report for the year ended 30 June 2021 for the National Tertiary Education Industry Union (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 21 December 2021.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2021 report has been filed the following should be addressed in the preparation of the next financial report.

Rotation of registered auditor

You must rotate your registered auditor

Correspondence was provided to the reporting unit on 23 June 2021, which alerted you that your registered auditor is approaching their statutory limit on how many consecutive financial years they are permitted to audit your financial report. The financial report lodged identifies that Robert Wernli was the reporting unit's registered auditor for this financial year. Our records indicate that you have now used your current registered auditor for five consecutive financial years, which is the statutory limit under section 256A.

Please ensure that Robert Wernli is not assigned to audit the financial report of the reporting unit for at least the following two financial years. Further information on the rotation of registered auditor requirement can be found on the ROC website.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

KEN MORGAN
Financial Reporting Specialist
Registered Organisations Commission



National Tertiary Education Union ABN 38 579 396 344
National Office, 1st floor, 120 Clarendon St
PO Box 1323, South Melbourne VIC 3205
phone 03 9254 1910 fax 03 9254 1915
email national@nteu.org.au www.nteu.org.au

s.268 *Fair Work (Registered Organisations) Act 2009*

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2021

I *Matthew McGowan* being the *General Secretary* of the *National Tertiary Education Union* certify:

- that the documents lodged herewith are copies of the full report for the *National Tertiary Education Union* for the period ended 30 June 2021 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *full report* was provided to members of the reporting unit on 20 *November 2021*; and
- that the full report was presented to a *meeting of the committee of management* of the reporting unit on 2 *December 2021* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

A handwritten signature in black ink, appearing to read 'Matthew McGowan', is written over a horizontal dotted line.

Name of prescribed designated officer: **Matthew McGowan**

Title of prescribed designated officer: **General Secretary**

Dated: 21 December 2021

***National Tertiary
Education Union
(NTEU)***

ABN 38 579 396 344

***Financial Report for the year ended
30 June 2021***

NTEU
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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General Information

The financial statements cover National Tertiary Education Union (“NTEU”) as an individual and consolidated entity. The financial statements are presented in Australian dollars, which is National Tertiary Education Union’s functional and presentation currency.

The National Tertiary Education Union is a not for profit trade union, incorporated and domiciled in Australia.

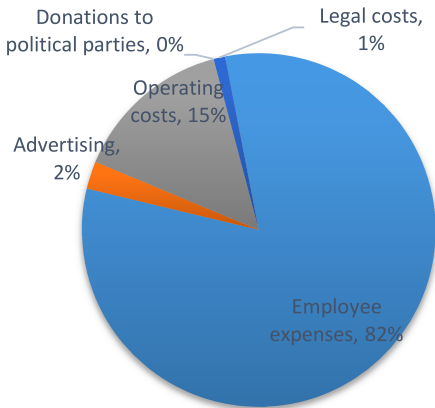
The financial statements were authorised for issue on the date of signing this report.

NTEU
REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2021

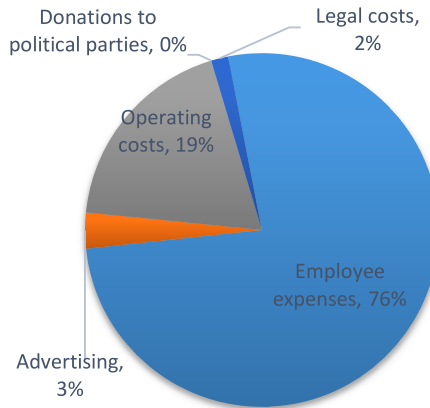
The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2021.

CONSOLIDATED

2021

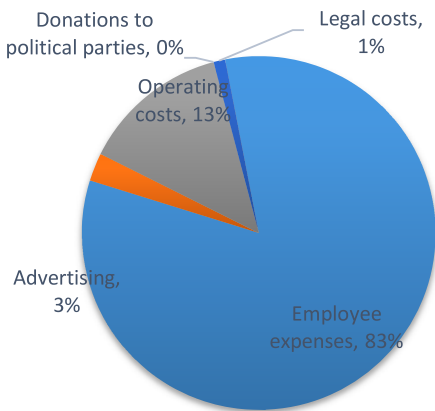


2020

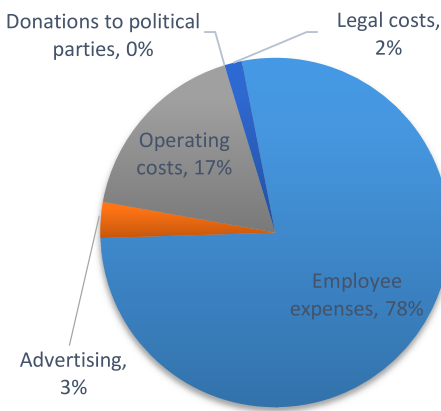


PARENT

2021



2020



Signature of designated officer:

Name and title of designated officer:

Matthew McGowan
NTEU General Secretary

NTEU
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Principal activities

The principal activities of the Union during the financial year were:

- To improve and protect the salaries and conditions of employment of our members;
- To represent our members in approaches to and discussions with their employer;
- To negotiate collective agreements which improve the conditions of employment of our members;
- To enforce existing industrial agreements on behalf of our members; and
- To promote industrial peace through conciliation and arbitration.

Results of principal activities

The Union's principal activities resulted in the maintenance and improvement of the salaries and conditions of employment of our members, especially for those members covered by collective agreements negotiated by the Union.

Significant changes in the nature of principal activities

There were no significant changes in the nature of the Union's principal activities during the financial year.

Significant changes in the Union's financial affairs

No matters or circumstances arose during the reporting year which significantly affected the financial affairs of the Union.

Trustee or Director of a Trustee Company of a Superannuation Entity or an Exempt Public Sector Superannuation Scheme

Sarah Roberts (Victorian Division Assistant Secretary) is a director of UniSuper Limited, which is the trustee company of UniSuper, the superannuation entity.

To the best of the Committee of Management's knowledge and belief, no other member or officer of the organisation is a trustee or a director of a company that is a trustee, of a superannuation entity or an exempt public sector scheme.

Number of members

The number of persons who, at the end of the financial year, were recorded on the Register of Members was 27,931 (2020: 30,953).

Number of employees

The number of persons who were, at the end of the financial year, employees of the Union was 122.46 (2020: 120.13) measured on a full-time equivalent basis.

NTEU
OPERATING REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2021

Members of the committee of management

The persons who held office as members of the Committee of Management of the Union during the financial year were:

Position	Name	Period (if not full year)
National President	Alison Barnes	1 Jul 2020 to 30 Jun 2021
General Secretary	Matthew McGowan	1 Jul 2020 to 30 Jun 2021
National Assistant Secretary	Gabe Gooding	1 Jul 2020 to 30 Jun 2021
National Vice-President (Academic Staff)	Andrew Bonnell	1 Jul 2020 to 30 Jun 2021
National Vice-President (General Staff)	Cathy Rojas	1 Jul 2020 to 30 Jun 2021
National Executive Member (Aboriginal and Torres Strait Islander)	Sharlene Leroy-Dyer	1 Jul 2020 to 30 Jun 2021
National Executive Member (NSW)	Michael Thomson	1 Jul 2020 to 4 May 2021
National Executive Member (NSW)	Damien Cahill	5 May 2021 to 30 Jun 2021
National Executive Member (ACT)	Catherine Day	1 Jul 2020 to 30 Jun 2021
National Executive Member (Tas)	Kelvin Michael	1 Jul 2020 to 28 Oct 2020
National Executive Member (Tas)	Perpetua Turner	29 Oct 2020 to 28 May 2021
National Executive Member (Tas)	Pat McConville	21 Jun 2021 to 30 Jun 2021
National Executive Member (Qld)	Michael McNally	1 Jul 2020 to 30 Jun 2021
National Executive Member (SA)	Ron Slee	1 Jul 2020 to 30 Jun 2021
National Executive Member (WA)	Jonathan Hallett	1 Jul 2020 to 1 Oct 2020
National Executive Member (WA)	Cathy Moore	1 Oct 2020 to 30 Jun 2021
National Executive Member (NT)	Rajeev Sharma	1 Jul 2020 to 30 Jun 2021
National Executive Member (Vic)	Melissa Slee	1 Jul 2020 to 30 Jun 2021
National Executive Member (Ordinary)	Steve Adams	1 Jul 2020 to 30 Jun 2021
National Executive Member (Ordinary)	Damien Cahill	1 July 2020 to 14 May 2021
National Executive Member (Ordinary)	Vince Caughley	1 Jul 2020 to 30 Jun 2021
National Executive Member (Ordinary)	Andrea Lamont-Mills	1 Jul 2020 to 30 Jun 2021
National Executive Member (Ordinary)	Virginia Mansel Lees	1 Jul 2020 to 30 Jun 2021
National Executive Member (Ordinary)	Nick Warner	1 Jul 2020 to 30 Jun 2021
National Executive Member (Ordinary)	Nikki Belnave	1 Jul 2020 to 30 Jun 2021
National Executive Member (Ordinary)	Kerrie Saville	1 Jul 2020 to 30 Jun 2021

NTEU
OPERATING REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2021

Manner of resignation – s254(2)(c)

Members may resign from the Union in accordance with section 174 (Resignation from Membership) of the *Fair Work (Registered Organisations) Act 2009* and rule 11 of the NTEU rules. Rule 11 states as follows:

- (1) A member may resign from membership by written notice addressed and delivered to the General Secretary or to the member's Division Secretary or Branch Secretary. Where a written notice of resignation is received by one of the aforementioned Secretaries he or she shall as soon as practicable forward a copy of the notice of resignation to the other relevant Secretaries. A notice of resignation delivered to a relevant Secretary shall be taken to have been received by the Union when it was delivered.
- (2) A notice of resignation from membership takes effect:
 - (a) Where the member ceases to be eligible to become a member of the Union
 - (i) on the day on which the notice is received by the Union; or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;
 whichever is later; or
 - (b) In any other case:
 - (i) at the end of two weeks, or if permitted by law three months after the notice is received by the Union; or
 - (ii) on the day specified in the notice;
 whichever is later.
- (3) Any dues payable but not paid by a former member in relation to a period before the member's resignation took effect, may be sued for and recovered in the name of the Union in a court of competent jurisdiction, as a debt due to the Union.
- (4) A notice delivered to the Division Secretary or Branch Secretary shall be taken to have been received by the Union when it was delivered.
- (5) A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with sub-rule 1 of this rule.
- (6) A resignation from membership is valid even if it is not affected in accordance with this rule if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.
- (7) Cessation of payment of any dues, levies and other amounts by a member does not, of itself, terminate membership of the Union.



Matthew McGowan
 NTEU General Secretary
 19 November 2021



Alison Barnes
 NTEU President
 19 November 2021

NTEU
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

On 19 November 2021 the Committee of Management of the NTEU passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2021:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the reporting guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009 (the RO Act)*;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the 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 RO Act; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - v. where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Committee of Management.



Matthew McGowan
 NTEU General Secretary
 19 November 2021



Alison Barnes
 NTEU President
 19 November 2021

NTEU
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	CONSOLIDATED		PARENT	
		2021 \$	2020 \$	2021 \$	2020 \$
REVENUE					
REVENUE FROM CONTRACTS WITH CUSTOMERS					
Membership subscriptions	3	23,979,875	23,405,104	23,979,875	23,405,104
OTHER INCOME					
Non-operating revenue	3	2,861,256	1,850,707	2,546,041	1,467,947
TOTAL REVENUE		<u>26,841,131</u>	<u>25,255,811</u>	<u>26,525,916</u>	<u>24,873,051</u>
EXPENSES					
Employee benefits	5	15,611,917	15,009,255	15,611,917	15,009,255
Officeholder benefits	5,19(a)	2,199,575	2,210,166	2,199,575	2,210,166
Depreciation and amortisation	11(ii)	740,396	714,997	351,689	356,514
Other expenses	4	3,957,064	5,325,771	3,683,056	4,981,494
TOTAL EXPENSES		<u>22,508,952</u>	<u>23,260,189</u>	<u>21,846,237</u>	<u>22,557,429</u>
NET OPERATING RESULT		<u>4,332,179</u>	<u>1,995,622</u>	<u>4,679,679</u>	<u>2,315,622</u>
OTHER ECONOMIC FLOWS					
Revaluation of land and buildings	11(ii)	-	4,051,522	-	191,522
Net change in financial assets through OCI		-	-	-	1,708,100
TOTAL COMPREHENSIVE INCOME		<u>-</u>	<u>4,051,522</u>	<u>-</u>	<u>1,899,622</u>
COMPREHENSIVE RESULT		<u>4,332,179</u>	<u>6,047,144</u>	<u>4,679,679</u>	<u>4,215,244</u>
NET OPERATING RESULT FOR THE YEAR IS ATTRIBUTABLE TO:					
Non-controlling interest		(142,823)	1,454,940	-	-
Owners of the parent		4,475,002	540,682	4,679,679	2,315,622
		<u>4,332,179</u>	<u>1,995,622</u>	<u>4,679,679</u>	<u>2,315,622</u>
TOTAL COMPREHENSIVE RESULT FOR THE YEAR IS ATTRIBUTABLE TO:					
Non-controlling interest		(142,823)	1,454,940	-	-
Owners of the parent		4,475,002	4,592,204	4,679,679	4,215,244
		<u>4,332,179</u>	<u>6,047,144</u>	<u>4,679,679</u>	<u>4,215,244</u>

The accompanying notes form part of these financial statements.

NTEU
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	CONSOLIDATED		PARENT	
		2021 \$	2020 \$	2021 \$	2020 \$
ASSETS					
Cash and cash equivalents	6	3,254,526	5,521,527	3,071,424	5,431,332
Trade and other receivables	7	1,272,946	711,156	1,152,545	603,163
Other financial assets	8	14,019,850	6,772,125	14,019,850	6,772,125
Other assets	9	<u>252,033</u>	<u>205,522</u>	<u>244,330</u>	<u>201,574</u>
TOTAL CURRENT ASSETS		<u>18,799,355</u>	<u>13,210,330</u>	<u>18,488,149</u>	<u>13,008,194</u>
NON-CURRENT ASSETS					
Other financial assets	8	-	-	13,996,080	13,996,080
Investment properties	10	3,421,600	3,421,600	3,421,600	3,421,600
Property, plant and equipment	11	29,166,596	29,782,004	5,824,718	6,051,419
Intangible assets	12	<u>51,684</u>	<u>3,152</u>	<u>51,684</u>	<u>3,152</u>
TOTAL NON-CURRENT ASSETS		<u>32,639,880</u>	<u>33,206,756</u>	<u>23,294,082</u>	<u>23,472,251</u>
TOTAL ASSETS		<u>51,439,235</u>	<u>46,417,086</u>	<u>41,782,231</u>	<u>36,480,445</u>
LIABILITIES					
Trade and other payables	13	932,424	702,119	694,284	531,842
Provisions	14	3,966,403	3,624,253	3,966,403	3,624,253
Lease liabilities	15	<u>59,329</u>	<u>39,022</u>	<u>59,329</u>	<u>39,022</u>
TOTAL CURRENT LIABILITIES		<u>4,958,156</u>	<u>4,365,394</u>	<u>4,720,016</u>	<u>4,195,117</u>
NON-CURRENT LIABILITIES					
Provisions	14	437,912	307,816	437,912	307,816
Lease liabilities	15	<u>62,167</u>	<u>95,055</u>	<u>62,167</u>	<u>95,055</u>
TOTAL NON-CURRENT LIABILITIES		<u>500,079</u>	<u>402,871</u>	<u>500,079</u>	<u>402,871</u>
TOTAL LIABILITIES		<u>5,458,235</u>	<u>4,768,265</u>	<u>5,220,095</u>	<u>4,597,988</u>
NET ASSETS		<u>45,981,000</u>	<u>41,648,821</u>	<u>36,562,136</u>	<u>31,882,457</u>
EQUITY					
Reserves	16	32,801,744	28,826,385	26,582,054	22,606,695
Retained earnings	17	3,555,715	3,056,072	9,980,082	9,275,762
Non-controlling interest		<u>9,623,541</u>	<u>9,766,364</u>	-	-
TOTAL EQUITY		<u>45,981,000</u>	<u>41,648,821</u>	<u>36,562,136</u>	<u>31,882,457</u>

The accompanying notes form part of these financial statements.

NTEU
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Reserves	Retained Earnings	Non-Controlling Interest	Total Equity
	\$	\$	\$	\$
CONSOLIDATED				
At 1 July 2019	<u>23,439,493</u>	<u>3,850,760</u>	<u>8,311,424</u>	<u>35,601,677</u>
Net Operating Result	-	540,682	1,454,940	1,995,622
Other Comprehensive Income	4,051,522	-	-	4,051,522
Transfer (from)/to reserves	<u>1,335,370</u>	<u>(1,335,370)</u>	-	-
At 30 June 2020	<u>28,826,385</u>	<u>3,056,072</u>	<u>9,766,364</u>	<u>41,648,821</u>
Net Operating Result	-	4,475,002	(142,823)	4,332,179
Other Comprehensive Income	-	-	-	-
Transfer (from)/to reserves	<u>3,975,359</u>	<u>(3,975,359)</u>	-	-
As at 30 June 2021	<u>32,801,744</u>	<u>3,555,715</u>	<u>9,623,541</u>	<u>45,981,000</u>
PARENT				
At 1 July 2019	<u>19,371,703</u>	<u>8,295,510</u>	-	<u>27,667,213</u>
Net Operating Result	-	2,315,622	-	2,315,622
Other Comprehensive Income	1,899,622	-	-	1,899,622
Transfer (from)/to reserves	<u>1,335,370</u>	<u>(1,335,370)</u>	-	-
At 30 June 2020	<u>22,606,695</u>	<u>9,275,762</u>	-	<u>31,882,457</u>
Net Operating Result	-	4,679,679	-	4,679,679
Other Comprehensive Income	-	-	-	-
Transfer (from)/to reserves	<u>3,975,359</u>	<u>(3,975,359)</u>	-	-
As at 30 June 2021	<u>26,582,054</u>	<u>9,980,082</u>	-	<u>36,562,136</u>

The accompanying notes form part of these financial statements.

NTEU
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	CONSOLIDATED		PARENT	
		2021	2020	2021	2020
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Revenue from members and other activities		27,009,550	27,186,288	26,656,353	26,707,177
Interest received		217,099	162,649	217,099	162,649
Distribution received		510,431	129,261	510,431	129,261
Payments to suppliers and employees		(21,487,899)	(22,423,184)	(21,258,354)	(22,077,310)
Net GST paid to Australian Tax Office		(2,114,791)	(1,953,535)	(2,084,046)	(1,922,131)
Net cash (used in)/provided by operating activities	18	<u>4,134,390</u>	<u>3,101,479</u>	<u>4,041,483</u>	<u>2,999,646</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of other financial assets		2,171,150	-	2,171,150	-
Payments for other financial assets		(8,386,440)	(713,814)	(8,386,440)	(713,814)
Payments for property, plant & equipment		(86,952)	(204,527)	(86,952)	(134,109)
Payments for intangible assets		(56,646)	-	(56,646)	-
Net cash (used in)/provided by investing activities		<u>(6,358,888)</u>	<u>(918,341)</u>	<u>(6,358,888)</u>	<u>(847,923)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of right-of-use lease liabilities		(42,503)	(36,195)	(42,503)	(36,195)
Net cash (used in)/provided by financing activities		<u>(42,503)</u>	<u>(36,195)</u>	<u>(42,503)</u>	<u>(36,195)</u>
Net (decrease)/increase in cash & cash equivalents held		<u>(2,267,001)</u>	<u>2,146,943</u>	<u>(2,359,908)</u>	<u>2,115,528</u>
Cash and cash equivalents at beginning of year		5,521,527	3,374,584	5,431,332	3,315,804
Cash and cash equivalents at end of year	6	<u>3,254,526</u>	<u>5,521,527</u>	<u>3,071,424</u>	<u>5,431,332</u>

The accompanying notes form part of these financial statements.

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) 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 and the requirements of the *Fair Work (Registered Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the NTEU is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

Unless otherwise stated all accounting policies are consistent with those of the prior year.

In the application of Accounting Standards, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. Refer to note 2 for further details.

All amounts in the financial statements have been rounded to the nearest one dollar.

(b) Consolidation

The consolidated financial statements comprise the financial statements of NTEU and its subsidiaries as at 30 June 2021 (the Group). Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. Details of these controlled entities are contained within Note 19(c).

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intergroup balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Revenue recognition

NTEU enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of NTEU.

If there is only one distinct membership service promised in the arrangement, NTEU recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect NTEU's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, NTEU allocates the transaction price to each performance obligation based on the relative standalone selling price of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that NTEU charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), NTEU recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, NTEU has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from NTEU at their standalone selling price, NTEU accounts for those sales as a separate contract with a customer.

Interest income

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental income

Leases in which NTEU, as a lessor, do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

Other Revenue

Other revenue is recognised as income in accordance with AASB 15 where there is an enforceable contract with the customer and the conditions are sufficiently specific to enable determination if the conditions have been satisfied. Where sufficiently specific performance obligations do not exist, revenue is recognised upon receipt in line with AASB 1058 Income for not-for-profit entities.

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

(e) Allowance for doubtful debts

Allowance for doubtful debts is recognised when collection of trade debtors in full is no longer probable. Collectability of overdue accounts is assessed on an ongoing basis.

(f) Employee benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and long service leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

Liabilities for employee entitlements, which are not expected to be settled within 12 months, are measured at the present value of the estimated future cash outflows to be made for those benefits.

In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates, and the entity's experience with staff departures.

(g) Income tax

No provision for Income Tax is necessary as "Trade Unions" are exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.

(h) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). 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 are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(i) Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, and other short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts.

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Leases

NTEU assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets

NTEU recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, NTEU recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, NTEU uses the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

NTEU's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases of photocopiers that are below \$5,000. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

(k) Financial instruments

Financial instruments arise out of contractual agreements that give rise to financial asset of one entity and a financial liability or equity instrument of another entity. The Union considers that the carrying amount of financial assets and liabilities recorded in the financial statements to be a fair approximation of their fair values.

The Union is exposed to some financial risks: interest rate risk, credit risk and liquidity risk.

Categories of financial assets

Financial assets at amortised cost include financial assets that meet both of the following criteria and the assets are not designated as fair value through net result:

- the assets are held to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial instruments (continued)

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Union recognises cash and deposits, and receivables under this category.

Financial assets at fair value through net result include equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income.

The Union recognises managed investment schemes under this category.

Financial assets at fair value through other comprehensive income have their fair value changes recognised in OCI. Gains and losses on these financial assets are never recycled to profit or loss. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Union elected to classify irrevocably its non-listed equity investments under this category.

(l) Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of sub-section (1) (2) and (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- (1) A member of a reporting unit, or the Commissioner, 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 sub-section.

(m) Property, Plant and Equipment

Recognition and measurement

Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Freehold land and buildings are brought to account at cost or at independent valuation.

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Property, Plant and Equipment (continued)

Depreciation

The depreciable amount of property, plant and equipment are depreciated over the useful lives of the assets to the Union, commencing from the time the asset was held ready for use.

The depreciation rates based useful lives used for each class of depreciable assets are as follows:

<i>Class of Asset</i>	<i>Depreciation basis</i>	<i>2021</i>	<i>2020</i>
Buildings	Straight Line	2.5%	2.5%
Buildings (ROU)	Straight Line	12.5-50%	12.5-28%
Office Equipment	Straight Line	20-33%	20-33%
Motor Vehicles	Straight Line	22.5%	22.5%
Building Improvements	Straight Line	10%	10%

The residual value, useful life and depreciation method applied to an asset are reassessed at each reporting date.

(n) Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of NTEU's intangible assets are:

<i>Class of Asset</i>	<i>Depreciation basis</i>	<i>2021</i>	<i>2020</i>
Intangibles	Straight Line	33%	33%

(o) Investment Property

NTEU holds investment properties to generate long term rental yields and capital appreciation. The component allocated to investment property is not occupied by NTEU. The occupied proportion has been allocated to buildings in property, plant and equipment. All tenants are on an arm's length basis.

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are stated at fair value.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of comprehensive income in the year in which they arise.

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(q) Australian Accounting Standards Issued that are not yet effective

The AASB has released a number of amendments to Accounting Standards and Australian Interpretations. The application of these Accounting Standards and Australian Interpretations has not had any significant impact on the Union's financial statements. Consequently, they have not been specifically identified.

No accounting standard has been adopted earlier than the application date stated in the standard.

(r) Additional disclosure requirements under Registered Organisations Commission reporting guidelines

(i) Going concern

NTEU's ability to continue as a going concern is not reliant on financial support of another reporting unit.

(ii) Financial support to another reporting unit

NTEU has not agreed to provide financial support to ensure another reporting unit has the ability to continue as a going concern.

(iii) Acquisition of assets or liabilities

NTEU did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

(iv) Business combinations

NTEU has not acquired assets or liabilities during the financial year as part of a business combination.

(v) Statement of Financial Position

NTEU does not have an item or a part of an item in the statement of financial position that has been derived as a result of one or more transactions and/ or past events with another reporting unit of the organisation.

(vi) Statement of Changes in Equity

No compulsory levies are raised from members of the Union, therefore no compulsory fund exists for the Union.

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Additional disclosure requirements under Registered Organisations Commission reporting guidelines (continued)

(vii) Recovery of wages

There has been no recovery of wages activity during the financial year.

(viii) Administration of financial affairs

Another entity has not administered the financial affairs of the reporting unit.

(ix) Recovery of wages

no revenue has been derived from undertaking recovery of wages activity for the financial year ended 30 June 2021.

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

NTEU determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note 1(g), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Fair value measurement hierarchy

NTEU is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Union assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the corporation and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
NOTE 3: REVENUE				
Revenue from contracts with customers:				
Membership subscriptions	23,979,875	23,405,104	23,979,875	23,405,104
Capitation fees from other reporting units	-	-	-	-
Levies	-	-	-	-
	<u>23,979,875</u>	<u>23,405,104</u>	<u>23,979,875</u>	<u>23,405,104</u>
Other Income:				
Rental income	822,198	912,368	610,158	712,886
Distributions	510,431	129,261	510,431	129,261
Interest income	217,099	162,649	217,099	162,649
Director fees	60,170	7,279	60,170	7,279
Sundry income	218,923	274,999	115,748	91,721
Voluntary member contributions for industrial action (Note 3(i))	-	551	-	551
Change in market value of investments	1,032,435	-	1,032,435	-
Increase in market value of investment property	-	129,600	-	129,600
Defence fund settlements	-	234,000	-	234,000
Donations or grants	-	-	-	-
	<u>2,861,256</u>	<u>1,850,707</u>	<u>2,546,041</u>	<u>1,467,947</u>
Total non-operating revenue	<u>2,861,256</u>	<u>1,850,707</u>	<u>2,546,041</u>	<u>1,467,947</u>
Total revenue	<u>26,841,131</u>	<u>25,255,811</u>	<u>26,525,916</u>	<u>24,873,051</u>

NOTE 3(i): VOLUNTARY MEMBER CONTRIBUTIONS

Members of NTEU made voluntary contributions to support workplace industrial action. All funds contributed were distributed to the branches and utilised within the financial period.

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
NOTE 4: OTHER EXPENSES				
Affiliation fees (Note 4(ii))	477,512	473,351	477,512	473,351
Assets written-off	-	-	-	-
Audit services (Note 21)	67,450	68,145	60,000	60,000
Meetings and conferences	114,881	551,395	114,881	551,395
Industrial defence fund - other	91,005	61,465	91,005	61,465
Industrial defence campaigns	22,916	15,549	22,916	15,549
Publications and recruitment	526,973	479,527	526,973	479,527
Travel and reimbursement	213,700	410,363	213,700	410,363
Property fund outgoings	979,580	1,152,516	726,717	830,530
Administration costs	950,635	1,148,458	940,154	1,143,402
Legal costs (Note 4(i))	212,527	355,576	212,527	355,576
Change in market value of investments	-	257,153	-	257,153
Compulsory levies/fees	-	-	-	-
Fees/allowances – meeting and conferences	-	-	-	-
Capitation fees to other reporting units	-	-	-	-
Penalties – via RO Act or Fairwork Act 2009	-	-	-	-
Grants and Donations (Note 4(iii))	43,206	33,538	43,206	33,538
Employer payroll deductions of membership subscriptions	-	-	-	-
Other expenses	256,679	318,735	253,465	309,645
	<u>3,957,064</u>	<u>5,325,771</u>	<u>3,683,056</u>	<u>4,981,494</u>
NOTE 4 (i): LEGAL COSTS				
Litigation costs	176,900	339,359	176,900	339,359
Other legal matters	35,627	16,217	35,627	16,217
	<u>212,527</u>	<u>355,576</u>	<u>212,527</u>	<u>355,576</u>

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
NOTE 4: OTHER EXPENSES (continued)				
NOTE 4 (ii): AFFILIATION FEES				
Australia Asia Workers Link	-	400	-	400
Australian Council of Trade Unions	160,649	158,001	160,649	158,001
Australian People for Health, Education and Development Abroad	3,986	3,870	3,986	3,870
Ballarat Regional Trades & Labour Council	926	1,544	926	1,544
Bendigo Trades Hall Council	736	736	736	736
Council for Humanities, Arts and Social Sciences	-	4,000	-	4,000
Council of Pacific Education	600	600	600	600
Education International	70,035	71,432	70,035	71,432
First Nations Workers Alliance	1,364	2,364	1,364	2,364
Geelong Trades Hall Council	2,716	2,716	2,716	2,716
Gippsland Trades Hall Council	847	847	847	847
Goulburn Valley Trades & Labour Council	297	116	297	116
Hiroshima Day Coordinating Committee	-	-	-	-
Labour History Society SA	100	100	100	100
Newcastle Trade Hall Council	1,653	1,440	1,653	1,440
North East Trades & Labour Council	1,152	660	1,152	660
NT Trades & Labor Council	2,694	2,716	2,694	2,716
Queensland Council of Unions	30,889	28,039	30,889	28,039
Queensland Council of Unions Rockhampton	-	110	-	110
Queensland Council of Unions Toowoomba	100	-	100	-
Scholars at Risk	7,125	3,911	7,125	3,911
Science & Technology Australia	7,367	7,367	7,367	7,367
South West Trades & Labour Council	237	237	237	237
Sunraysia Trades & Labour Council	75	77	75	77
Sydney Alliance	5,892	5,892	5,892	5,892
The Australia Institute	25,010	25,568	25,010	25,568
Unions ACT	8,576	9,423	8,576	9,423
Unions NSW	31,103	30,652	31,103	30,652
Unions South Australia	11,575	11,333	11,575	11,333
Unions Tasmania	6,016	4,856	6,016	4,856
Unions Western Australia	19,487	19,700	19,487	19,700
Victorian Trades Hall Council	74,938	72,596	74,938	72,596
Worker Health Centre	1,367	1,367	1,367	1,367
North East & Border Trades & Labour Council	-	331	-	331
The May Day Collective of South Australia	-	350	-	350
	<u>477,512</u>	<u>473,351</u>	<u>477,512</u>	<u>473,351</u>

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
NOTE 4(iii): GRANTS AND DONATIONS				
Grants:				
Total amount paid in grants that exceeded \$1,000	22,500	17,500	22,500	17,500
Total amount paid in grants that were \$1,000 or less	-	-	-	-
Donations:				
Total amount paid in donations that exceeded \$1,000	17,000	6,500	17,000	6,500
Total amount paid in donations that were \$1,000 or less	3,706	9,538	3,706	9,538
	<u>43,206</u>	<u>33,538</u>	<u>43,206</u>	<u>33,538</u>
NOTE 5: EMPLOYEE BENEFITS				
<i>Officeholders:</i>				
Wages and salaries	1,587,383	1,892,871	1,587,383	1,892,871
Superannuation	315,159	282,999	315,159	282,999
Leave and other entitlements	297,033	34,296	297,033	34,296
Separation and redundancies	-	-	-	-
Other employee expenses	-	-	-	-
Subtotal employee expenses for officeholders	<u>2,199,575</u>	<u>2,210,166</u>	<u>2,199,575</u>	<u>2,210,166</u>
<i>Employees other than officeholders:</i>				
Wages and salaries	11,280,906	10,735,006	11,280,906	10,735,006
Superannuation	2,030,471	1,972,891	2,030,471	1,972,891
Leave and other entitlements	1,412,106	1,379,932	1,412,106	1,379,932
Separation and redundancies	-	-	-	-
Other employee expenses	888,434	921,426	888,434	921,426
Subtotal employee expenses for employees other than officeholders	<u>15,611,917</u>	<u>15,009,255</u>	<u>15,611,917</u>	<u>15,009,255</u>
Total employee benefits	<u>17,811,492</u>	<u>17,219,421</u>	<u>17,811,492</u>	<u>17,219,421</u>

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
NOTE 6: CASH AND CASH EQUIVALENTS				
Current				
Cash on hand	183	198	183	198
Cash at bank	3,254,343	4,571,329	3,071,241	4,481,134
Short term deposits	-	950,000	-	950,000
	<u>3,254,526</u>	<u>5,521,527</u>	<u>3,071,424</u>	<u>5,431,332</u>

NOTE 7: TRADE AND OTHER RECEIVABLES

Current				
Trade debtors	26,879	13,945	26,879	13,945
Provision for doubtful debts	-	-	-	-
Other receivables	363,283	176,869	73,774	35,357
Accrued income	882,784	520,342	882,784	520,342
Receivables from related parties (Note 18(b)(ii))	-	-	-	-
Receivables from other reporting units	-	-	169,108	33,519
Less allowance for expected credit losses from other reporting units	-	-	-	-
Total trade and other receivables	<u>1,272,946</u>	<u>711,156</u>	<u>1,152,545</u>	<u>603,163</u>

NOTE 8: OTHER FINANCIAL ASSETS

Current				
Investments in managed funds	<u>14,019,850</u>	<u>6,772,125</u>	<u>14,019,850</u>	<u>6,772,125</u>
Non-Current				
Investments – at valuation:				
Federation of Education Union Unit Trust (F.E.U.)	-	-	13,996,079	13,996,079
Federation of Education Unions Pty Ltd (Trustee of F.E.U.)	-	-	1	1
	<u>-</u>	<u>-</u>	<u>13,996,080</u>	<u>13,996,080</u>
Total other financial assets	<u>14,019,850</u>	<u>6,772,125</u>	<u>28,015,930</u>	<u>20,768,205</u>

NOTE 9: OTHER ASSETS

Current				
Prepayments	<u>252,033</u>	<u>205,522</u>	<u>244,330</u>	<u>201,574</u>

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

CONSOLIDATED		PARENT	
2021	2020	2021	2020
\$	\$	\$	\$

NOTE 10: INVESTMENT PROPERTIES

(i) Book value disclosure

Non-current

Land and buildings - at Valuation	3,421,600	3,421,600	3,421,600	3,421,600
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Non-specialised land and non-specialised buildings are valued using the market based direct comparison method. This means that valuations performed by the valuer as based on active market prices, significantly adjusted for difference in nature, location or condition of the specific property.

The land and buildings were revalued at 30 June 2020 by Bristow & Associates, m3 Property Strategists, Egan National Valuers and Burgess Rawson; all Certified Practising Valuers.

The property rental income earned by the Union from its investment properties amounted to \$168,408 for the year (2020: \$203,578). Direct operating expenses arising on the investment properties amounted to \$70,833 (2020: \$75,918).

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market based direct comparison approach.

Details of the Union's investment property and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1	Level 2	Level 3
	\$	\$	\$
Land and buildings	-	3,421,600	-
Total	-	3,421,600	-

CONSOLIDATED		PARENT	
2021	2020	2021	2020
\$	\$	\$	\$

(ii) Reconciliation of the carrying amount

Balance at beginning of year	3,421,600	3,292,000	3,421,600	3,292,000
Revaluation	-	129,600	-	129,600
Balance at end of year	3,421,600	3,421,600	3,421,600	3,421,600

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 11: PROPERTY, PLANT & EQUIPMENT

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
(i) Book value disclosure				
LAND AND BUILDINGS				
Non-current				
Land and buildings – at Valuation	29,008,400	29,008,400	5,508,400	5,508,400
Accumulated depreciation	(485,210)	-	(137,710)	-
	<u>28,523,190</u>	<u>29,008,400</u>	<u>5,370,690</u>	<u>5,508,400</u>
Buildings (ROU)	200,195	170,272	200,195	170,272
Accumulated depreciation	(83,243)	(40,599)	(83,243)	(40,599)
	<u>116,952</u>	<u>129,673</u>	<u>116,952</u>	<u>129,673</u>
Total land and buildings	<u>28,640,142</u>	<u>29,138,073</u>	<u>5,487,642</u>	<u>5,638,073</u>

Valuation basis

Non-specialised land and buildings

Non-specialised land buildings are valued using the market based direct comparison method. This means that valuations performed by the valuer as based on active market prices, significantly adjusted for difference in nature, location or condition of the specific property. A significant increase (decrease) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

The land and buildings were revalued at 30 June 2020 by Burgess Rawson, Bristow & Associates, m3 Property Strategists, and Egan National Valuers; all Certified Practising Valuers.

Within the consolidated entity, the building owned by the subsidiary was revalued by CBRE, a Certified Practising Valuer, as at 30 June 2020.

To the extent that non-specialised land and buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market based direct comparison approach.

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 11: PROPERTY, PLANT & EQUIPMENT (continued)

PLANT AND EQUIPMENT	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
Non-current				
Office equipment, fixtures & fittings - at cost	848,263	772,786	465,933	390,456
Accumulated depreciation	<u>(502,182)</u>	<u>(368,147)</u>	<u>(309,230)</u>	<u>(216,402)</u>
	<u>346,081</u>	<u>404,639</u>	<u>156,703</u>	<u>174,054</u>
Leasehold improvements - at cost	559,428	547,953	559,428	547,953
Accumulated depreciation	<u>(400,280)</u>	<u>(347,656)</u>	<u>(400,280)</u>	<u>(347,656)</u>
	<u>159,148</u>	<u>200,297</u>	<u>159,148</u>	<u>200,297</u>
Motor Vehicles - at cost	120,373	120,373	120,373	120,373
Accumulated depreciation	<u>(99,148)</u>	<u>(81,378)</u>	<u>(99,148)</u>	<u>(81,378)</u>
	<u>21,225</u>	<u>38,995</u>	<u>21,225</u>	<u>38,995</u>
Total plant and equipment	<u>526,454</u>	<u>643,931</u>	<u>337,076</u>	<u>413,346</u>
Total property, plant & equipment	<u>29,166,596</u>	<u>29,782,004</u>	<u>5,824,718</u>	<u>6,051,419</u>

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 11: PROPERTY, PLANT & EQUIPMENT (continued)

(ii) Reconciliation of the carrying amount

CONSOLIDATED

2021	Land & buildings	Building (ROU)	Office equipment fixtures & fittings	Leasehold improvements	Motor Vehicles	Work in Progress	Total
Balance at 1 July 2020	29,008,400	129,673	404,639	200,297	38,995	-	29,782,004
Additions	-	29,922	75,477	11,475	-	-	116,874
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Depreciation	(485,210)	(42,643)	(134,035)	(52,624)	(17,770)	-	(732,282)
Balance at 30 June 2021	28,523,190	116,952	346,081	159,148	21,225	-	29,166,596
2020	Land & buildings	Building (ROU)	Office equipment fixtures & fittings	Leasehold improvements	Motor Vehicles	Work in Progress	Total
Balance at 30 June 2019	25,420,585	-	340,878	248,433	56,766	-	26,066,662
Implementation of AASB 16	-	170,272	-	-	-	-	170,272
Balance at 1 July 2019	25,420,585	170,272	340,878	248,433	56,766	-	26,236,934
Additions	-	-	186,392	18,135	-	-	204,527
Disposals	-	-	-	-	-	-	-
Revaluation	4,051,522	-	-	-	-	-	4,051,522
Depreciation	(463,707)	(40,599)	(122,631)	(66,271)	(17,771)	-	(710,979)
Balance at 30 June 2020	29,008,400	129,673	404,639	200,297	38,995	-	29,782,004

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 11: PROPERTY, PLANT & EQUIPMENT (continued)

(ii) Reconciliation of the carrying amount (continued)

PARENT

2021	Land & buildings	Building (ROU)	Office equipment fixtures & fittings	Leasehold improvements	Motor Vehicles	Work in Progress	Total
Balance at 1 July 2020	5,508,400	129,673	174,054	200,297	38,995	-	6,051,419
Additions	-	29,922	75,477	11,475	-	-	116,874
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Depreciation	(137,710)	(42,643)	(92,828)	(52,624)	(17,770)	-	(343,575)
Balance at 30 June 2021	5,370,690	116,952	156,703	159,148	21,225	-	5,824,718
2020	Land & buildings	Building (ROU)	Office equipment fixtures & fittings	Leasehold improvements	Motor Vehicles	Work in Progress	Total
Balance at 30 June 2019	5,460,586	-	142,227	248,433	56,766	-	5,908,012
Implementation of AASB 16	-	170,272	-	-	-	-	170,272
Balance at 1 July 2019	5,460,586	170,272	142,227	248,433	56,766	-	6,078,284
Additions	-	-	115,974	18,135	-	-	134,109
Disposals	-	-	-	-	-	-	-
Revaluation	191,522	-	-	-	-	-	191,522
Depreciation	(143,708)	(40,599)	(84,147)	(66,271)	(17,771)	-	(352,496)
Balance as 30 June 2020	5,508,400	129,673	174,054	200,297	38,995	-	6,051,419

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$

NOTE 12: INTANGIBLE ASSETS

(i) Book value disclosure

Non-current

Software at cost	90,359	78,020	90,359	78,020
Accumulated amortisation	(38,675)	(74,868)	(38,675)	(74,868)
	<u>51,684</u>	<u>3,152</u>	<u>51,684</u>	<u>3,152</u>

(ii) Reconciliation of carrying amount

Balance at beginning of the year	3,152	126,098	3,152	126,098
Additions	56,646	-	56,646	-
Disposals	-	(118,928)	-	(118,928)
Amortisation	(8,114)	(4,018)	(8,114)	(4,018)
Balance at end of the year	<u>51,684</u>	<u>3,152</u>	<u>51,684</u>	<u>3,152</u>

NOTE 13: TRADE AND OTHER PAYABLES

Current

Trade creditors and accruals	647,388	392,802	484,817	324,734
Litigation costs payable	-	-	-	-
Other legal costs payable	-	6,004	-	6,004
Employer payroll deductions of membership subscriptions	-	-	-	-
GST payable	183,952	173,743	183,952	173,743
Sundry creditors	101,084	129,570	25,515	27,361
Payables to other reporting units (Note 18(c)(ii))	-	-	-	-
	<u>932,424</u>	<u>702,119</u>	<u>694,284</u>	<u>531,842</u>

NOTE 14: PROVISIONS

Current

Current provisions expected to be settled within 12 months

Officeholders:

Annual leave	136,121	147,597	136,121	147,597
Long service leave	8,084	7,618	8,084	7,618
Separation and redundancies	-	-	-	-
Other employee provisions	-	-	-	-
Subtotal for officeholders	<u>144,205</u>	<u>155,215</u>	<u>144,205</u>	<u>155,215</u>

Employees other than officeholders:

Annual leave	1,019,935	841,230	1,019,935	841,230
Long service leave	77,172	74,569	77,172	74,569
Separation and redundancies	-	-	-	-
Other employee provisions	-	-	-	-
Subtotal for employees other than officeholders:	<u>1,097,107</u>	<u>915,799</u>	<u>1,097,107</u>	<u>915,799</u>
	<u>1,241,312</u>	<u>1,071,014</u>	<u>1,241,312</u>	<u>1,071,014</u>

NTEU

Financial Report for the year ended 30 June 2021

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
NOTE 14: PROVISIONS (Continued)				
Current				
<i>Current provisions expected to be settled after 12 months</i>				
Officeholders:				
Annual leave	79,944	86,684	79,944	86,684
Long service leave	194,014	182,838	194,014	182,838
Separation and redundancies	-	-	-	-
Other employee provisions	-	-	-	-
Subtotal for officeholders	<u>273,958</u>	<u>269,522</u>	<u>273,958</u>	<u>269,522</u>
Employees other than officeholders:				
Annual leave	599,010	494,057	599,010	494,057
Long service leave	1,852,123	1,789,660	1,852,123	1,789,660
Separation and redundancies	-	-	-	-
Other employee provisions	-	-	-	-
Subtotal for employees other than officeholders:	<u>2,451,133</u>	<u>2,283,717</u>	<u>2,451,133</u>	<u>2,283,717</u>
	<u>2,725,091</u>	<u>2,553,239</u>	<u>2,725,091</u>	<u>2,553,239</u>
Total current provisions	<u>3,966,403</u>	<u>3,624,253</u>	<u>3,966,403</u>	<u>3,624,253</u>
Non current				
Long service leave- for employees	377,331	261,481	377,331	261,481
Long service leave- for officeholders	60,581	46,335	60,581	46,335
Total non current provisions	<u>437,912</u>	<u>307,816</u>	<u>437,912</u>	<u>307,816</u>
Total provisions	<u>4,404,315</u>	<u>3,932,069</u>	<u>4,404,315</u>	<u>3,932,069</u>
NOTE 15: LEASE LIABILITIES				
Current				
Right-of-use lease liabilities	<u>59,329</u>	<u>39,022</u>	<u>59,329</u>	<u>39,022</u>
Non-Current				
Right-of-use lease liabilities	<u>62,167</u>	<u>95,055</u>	<u>62,167</u>	<u>95,055</u>
NOTE 16: RESERVES				
Defence reserve	10,546,660	7,857,463	10,546,660	7,857,463
Leave reserve	4,404,315	3,118,153	4,404,315	3,118,153
Property reserve	5,000,000	5,000,000	5,000,000	5,000,000
Asset revaluation reserve	12,850,769	12,850,769	6,631,079	6,631,079
	<u>32,801,744</u>	<u>28,826,385</u>	<u>26,582,054</u>	<u>22,606,695</u>

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
NOTE 16: RESERVES (Continued)				
Movements during the year				
<i>Defence reserve</i> ^(a)				
Balance at beginning of year	7,857,463	6,644,599	7,857,463	6,644,599
Transfer to retained surplus	-	-	-	-
Transfer from retained surplus	2,689,197	1,212,864	2,689,197	1,212,864
Balance at end of year	<u>10,546,660</u>	<u>7,857,463</u>	<u>10,546,660</u>	<u>7,857,463</u>
<i>Leave reserve</i> ^(b)				
Balance at beginning of year	3,118,153	2,995,647	3,118,153	2,995,647
Transfer to retained surplus	-	-	-	-
Transfer from retained surplus	1,286,162	122,506	1,286,162	122,506
Balance at end of year	<u>4,404,315</u>	<u>3,118,153</u>	<u>4,404,315</u>	<u>3,118,153</u>
<i>Property reserve</i> ^(c)				
Balance at beginning of year	5,000,000	5,000,000	5,000,000	5,000,000
Transfer to retained surplus	-	-	-	-
Transfer from retained surplus	-	-	-	-
Balance at end of year	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
<i>Asset revaluation reserve</i> ^(d)				
Balance at beginning of year	12,850,769	8,799,247	6,631,079	4,731,457
Revaluation of properties	-	4,051,522	-	191,522
Net change in financial assets held through OCI	-	-	-	1,708,100
Balance at end of year	<u>12,850,769</u>	<u>12,850,769</u>	<u>6,631,079</u>	<u>6,631,079</u>

(a) This reserve holds funds for taking action in support of our members

(b) This reserve holds funds to offset employee entitlements

(c) This reserve is held for the purpose of investing in current and future properties

(d) This reserve is used to record increments and decrements on the revaluation of land and buildings, and financial assets held through OCI

NOTE 17: RETAINED EARNINGS

Retained surplus at beginning of the year	3,056,072	3,850,760	9,275,762	8,295,510
Net operating surplus/ (deficit) for the year	4,332,179	1,995,622	4,679,679	2,315,622
Transfer (to)/from reserves:				
Defence reserve	(2,689,197)	(1,212,864)	(2,689,197)	(1,212,864)
Leave reserve	(1,286,162)	(122,506)	(1,286,162)	(122,506)
Asset Revaluation Reserve	-	-	-	-
Transfer to non-controlling interest	142,823	(1,454,940)	-	-
Retained surplus at the end of the year	<u>3,555,715</u>	<u>3,056,072</u>	<u>9,980,082</u>	<u>9,275,762</u>

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
NOTE 18: CASH FLOW INFORMATION				
Reconciliation of net operating result to net cash flows from operating activities:				
Net operating result	4,332,179	1,995,622	4,679,679	2,315,622
Non-cash flows in operating activities:				
Depreciation and amortisation	740,396	714,997	351,689	356,514
Assets written off	-	118,928	-	118,928
Change in market value of investments	(1,032,435)	257,153	(1,032,435)	257,153
Change in market value of investment property	-	(129,600)	-	(129,600)
Changes in assets and liabilities:				
Decrease/(increase) in receivables	(561,790)	(100,121)	(549,382)	(103,357)
Decrease/(increase) in other assets	(46,511)	174,401	(42,756)	55,709
(Decrease)/increase in payables	230,305	(92,821)	162,442	(34,243)
(Decrease)/increase in employee provisions	472,246	162,920	472,246	162,920
Net cash flows from operating activities	<u>4,134,390</u>	<u>3,101,479</u>	<u>4,041,483</u>	<u>2,999,646</u>
Cash flow information for controlled entities and other reporting units:				
Cash inflows				
National Tertiary Education Union	29,555,033	26,999,087	29,555,033	26,999,087
Federation of Education Unions Unit Trust	353,197	479,111	-	-
Other reporting units	-	-	-	-
Total cash inflows	<u>29,908,230</u>	<u>27,478,198</u>	<u>29,555,033</u>	<u>26,999,087</u>
Cash outflows				
National Tertiary Education Union	31,914,941	24,883,559	31,914,941	24,883,559
Federation of Education Unions Unit Trust	260,290	447,696	-	-
Other reporting units	-	-	-	-
Total cash outflows	<u>32,175,231</u>	<u>25,331,255</u>	<u>31,914,941</u>	<u>24,883,559</u>

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 19: RELATED PARTY INFORMATION

(a) Transactions with Key Management Personnel

The names of each person holding the position of Executive Officer of the NTEU during the financial year are:

Alison Barnes*	Gabe Gooding*	Michael Thomson*	Sarah Roberts*
Andrea Lamont-Mills	Jonathan Hallett*	Nick Warner	Sharlene Leroy-Dyer
Andrew Bonnell	Kelvin Michael*	Nikola Balnave	Steve Adams
Catherine Day*	Kerrie Saville	Perpetua Turner	Vince Caughley
Catherine Moore*	Matthew McGowan*	Pat McConville*	Virginia Mansel Lees
Cathy Rojas	Melissa Slee*	Rajeev Sharma	
Damien Cahill*	Michael McNally*	Ronald Slee*	

* Salaried Elected Officers of the NTEU during the financial year

Remuneration of Salaried Elected Officers

The compensation paid or payable to Salaried Elected Officers of the Union is set out below:

	2021	2020
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	1,587,383	1,625,360
Annual leave accrued	263,279	267,511
	<u>1,850,662</u>	<u>1,892,871</u>
Post-employment benefits:		
Superannuation	<u>315,159</u>	<u>282,999</u>
Other long-term benefits:		
Long-service leave	<u>33,754</u>	<u>34,296</u>
	<u>2,199,575</u>	<u>2,210,166</u>

The NTEU has twelve paid elected officers – three National Officers (President, General Secretary and National Assistant Secretary), seven full time State Division Secretaries (ACT, NSW, QLD, SA, TAS, Victoria, and WA), and two Division Assistant Secretaries (NSW and Victoria). Salary rates are set out in a National Salaried Officers Agreement and are benchmarked against the average increase in salaries across the sector of Level E, Level D and C academic rates. They are automatically adjusted on the first full pay period in March annually in line with the average benchmark rate. The purpose of such benchmarking is to ensure transparency as well as to ensure that NTEU Elected Officers' salaries only increase in line with salary movements in the sector. On this basis the relevant salary rates applied on the first full pay period in March 2021 are:

President	\$211,429	(112.5% of Level E)
General Secretary	\$211,429	(112.5% of Level E)
National Assistant Secretary	\$187,937	(100% of Level E)
Division Secretaries – Step 1	\$147,130	(100% of Level D)
Division Secretaries – Step 2	\$151,655	(100% of Level D)
Division Secretaries – Step 3	\$154,079	(100% of Level D)

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 19: RELATED PARTY INFORMATION (continued)

(a) Transactions with Key Management Personnel (continued)

Division Secretaries – Step 4	\$161,095	(100% of Level D)
Division Assistant Secretary – Step 1	\$121,394	(100% of Level C)
Division Assistant Secretary – Step 2	\$124,123	(100% of Level C)
Division Assistant Secretary – Step 3	\$128,957	(100% of Level C)
Division Assistant Secretary – Step 4	\$133,565	(100% of Level C)
Division Assistant Secretary – Step 5	\$135,130	(100% of Level C)
Division Assistant Secretary – Step 6	\$140,633	(100% of Level C)

(b) Other related parties

(i) National Office, state divisions and branches

The NTEU undertakes numerous transactions with National Office, State Divisions and Branches. All transactions between the NTEU, National Office, State Divisions, and Branches were in the ordinary course of business and on normal commercial terms and at market rates.

The Union has not made any payments to a former related party.

(ii) Federation of Education Union Unit Trust (F.E.U.)

The Union is a tenant of the building owned by the F.E.U. Rent and outgoings of \$433,816 (2020: \$514,110) in connection with the occupancy are paid to the F.E.U. in the ordinary course of business and on normal commercial terms and conditions and at market rates.

As at 30 June 2021, F.E.U. owed NTEU \$169,108 (30 June 2020: \$33,519). This is recorded as a receivable in the parent entity. For the year ended 30 June 2021, NTEU has not recorded any impairment of receivables relating to amounts owed by F.E.U. (2020: nil).

(c) Subsidiaries

The consolidated financial statements include the financial statements of NTEU and subsidiaries listed in the following table.

Parent Entity	Country of Incorporation	Ownership Interest	
		2021	2020
National Tertiary Education Industry Union	Australia	-	-
Subsidiaries of NTEU			
Federation of Education Unions Trust	Australia	58.9%	58.9%

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 20: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

(b) Categorisation of financial instruments

(i) Consolidated

Financial assets	Note	Category	Carrying amount 2021	Carrying amount 2020
Cash and cash equivalents	6	Amortised cost	3,254,526	5,521,527
Receivables	7	Amortised cost	1,272,946	711,156
Investments in managed funds	8	Fair value through profit or loss	14,019,850	6,772,125
Financial liabilities				
Payables	13	Amortised cost	748,472	528,376

(ii) Parent

Financial assets	Note	Category	Carrying amount 2021	Carrying amount 2020
Cash and cash equivalents	6	Amortised cost	3,071,424	5,431,332
Receivables	7	Amortised cost	1,152,545	603,163
Investments in managed funds	8	Fair value through profit or loss	14,019,850	6,772,125
Investment in F.E.U	8	Fair value through OCI	13,996,080	13,996,080
Financial liabilities				
Payables	13	Amortised cost	510,332	358,099

Financial liabilities exclude statutory financial liabilities (i.e. GST payable)

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 20: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(c) Financial risk management objectives

The Union's activities do not expose it to many financial risks, with only liquidity risk being needed to be actively managed.

Market Risk

Foreign currency risk

The Union is not exposed to any significant foreign currency risk.

Price risk

The Union is not exposed to any significant price risk.

Interest rate risk

The Union is not exposed to any significant interest rate risk.

Credit risk

The Union is not exposed to any significant credit risk.

Liquidity risk

Vigilant liquidity risk management requires the Union to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Union manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Maturity analysis of financial liabilities

(i) Consolidated		<i>Maturity dates</i>				
	<i>Weighted average interest rate %</i>	<i>1 year or less</i>	<i>Between 1 and 2 years</i>	<i>Between 2 and 5 years</i>	<i>Over 5 years</i>	<i>Remaining contractual maturities</i>
2021						
Payables	0%	748,472	-	-	-	-
		748,472	-	-	-	-
2020						
Payables	0%	528,376	-	-	-	-
		528,376	-	-	-	-
(i) Parent		<i>Maturity dates</i>				
	<i>Weighted average interest rate %</i>	<i>1 year or less</i>	<i>Between 1 and 2 years</i>	<i>Between 2 and 5 years</i>	<i>Over 5 years</i>	<i>Remaining contractual maturities</i>
2021						
Payables	0%	510,332	-	-	-	-
		510,332	-	-	-	-
2020						
Payables	0%	358,099	-	-	-	-
		358,099	-	-	-	-

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 20: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Assets held as collateral

The title of the property at Holt Street, New South Wales is held by the Commonwealth Bank as collateral for the Union's credit card facilities.

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
NOTE 21: AUDITOR'S REMUNERATION				
Value of the services provided				
<i>Auditors of the parent and group</i>				
Financial statement audit services	55,000	55,000	55,000	55,000
Other services	5,000	5,000	5,000	5,000
	60,000	60,000	60,000	60,000
<i>Other auditors (subsidiary)</i>				
Financial statement audit services	7,000	7,000	-	-
Other services	450	1,145	-	-
	7,450	8,145	-	-
	67,450	68,145	60,000	60,000

NOTE 22: EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Union's operations, the results of those operations, or the Union's state of affairs in future financial years.

NOTE 23: UNION DETAILS

The registered office and principal place of business of the Union is:

120 Clarendon Street
 South Melbourne
 Victoria 3205

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL TERTIARY EDUCATION UNION

Opinion

We have audited the financial report of National Tertiary Education Union which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, and the subsection 255(2A) report.

In our opinion:

- (a) The general purpose financial report presents fairly, in all material aspects, the financial position of National Tertiary Education Union as at 30 June 2021, and its financial performance and its cash flows for the year ended on that date in accordance with applicable Australian Accounting Standards and any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (b) management's use of the going concern basis of accounting in the preparation of National Tertiary Education Union's financial report is appropriate; and
- (c) the financial report properly and fairly reports all information required by the reporting guidelines of the Commissioner, including:
 - i. any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
 - ii. any donations or other contributions deducted from recovered money.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Union in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the RO Act, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Union's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within National Tertiary Education Union to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the National Tertiary Education Union audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DFK Kidsons Partnership

DFK Kidsons Partnership

Robert Wernli

Robert Wernli, F.C.A
Partner

Date: 19 November 2021
Melbourne

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/11