



10 January 2023

Damien Cahill
General Secretary
National Tertiary Education Industry Union
Sent via email: national@nteu.org.au
CC: michael.port@dfkiddsons.com.au

Dear Damien Cahill,

**National Tertiary Education Industry Union
Financial Report for the year ended 30 June 2022 – (FR2022/24)**

I acknowledge receipt of the financial report for the year ended 30 June 2022 for the National Tertiary Education Industry Union. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 21 December 2022.

The financial report has now been filed. The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any further action in respect of the report lodged. Please note that the financial report for the year ending 30 June 2023 may be subject to an advanced compliance review.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the section 253 reporting guidelines and Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0841 or by email at Mihiri.jayawardane@roc.gov.au.

Yours sincerely,

Mihiri Jayawardane
Registered Organisations Commission

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

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2022

I *Damien Cahill* 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 2022 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 *21 December 2022*; and
- that the full report was presented to a *meeting of the committee of management* of the reporting unit on *21 December 2022* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

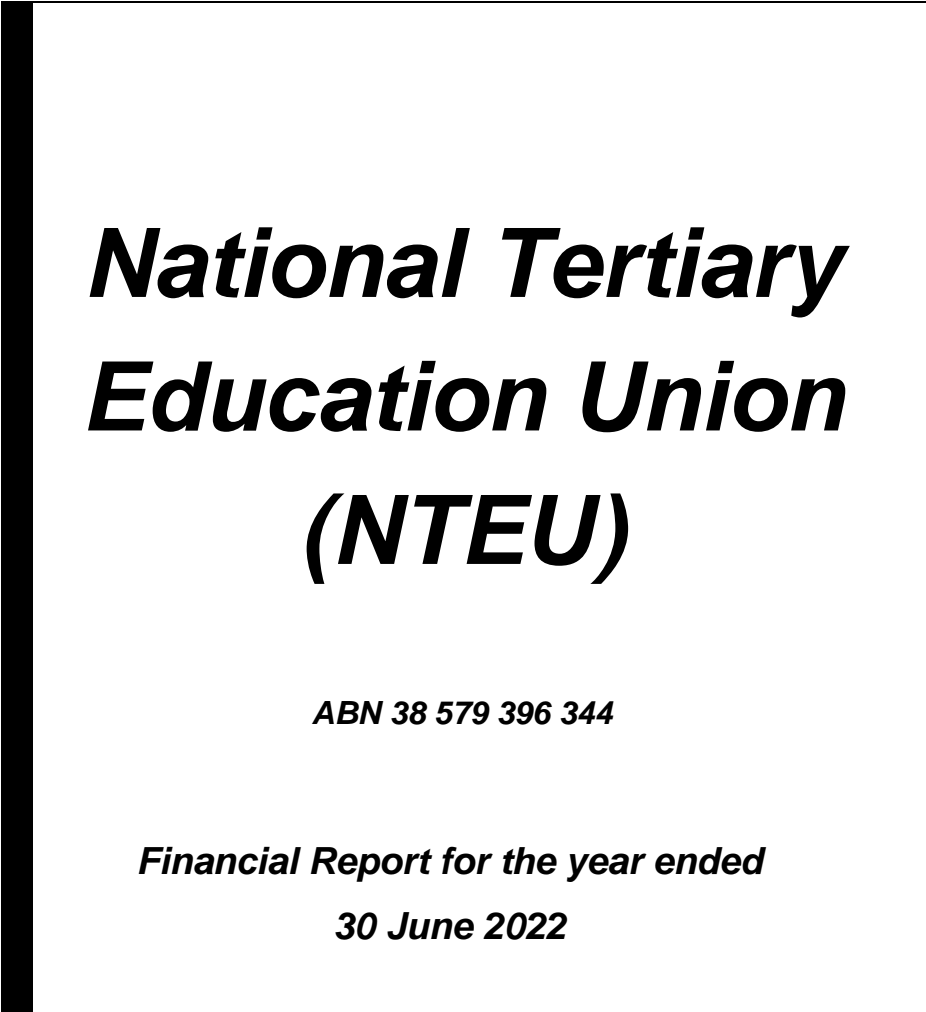
Signature of prescribed designated officer:



.....
Name of prescribed designated officer: Damien Cahill

Title of prescribed designated officer: General Secretary

Dated: 21 December 2022



National Tertiary Education Union (NTEU)

ABN 38 579 396 344

***Financial Report for the year ended
30 June 2022***

NTEU
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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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.

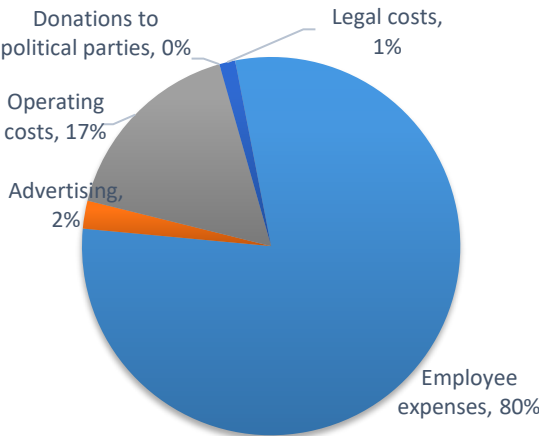
The financial statements were authorised for issue on the date of signing this report.

NTEU
REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2022

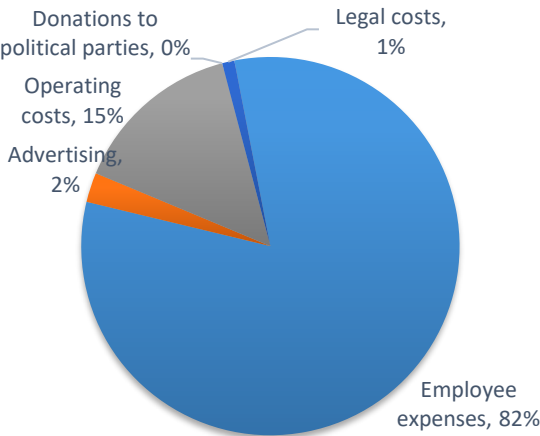
The National Executive (as the committee of management) presents the expenditure report as required under subsection 255(2A) on the NTEU (the reporting unit) for the year ended 30 June 2022.

CONSOLIDATED

2022

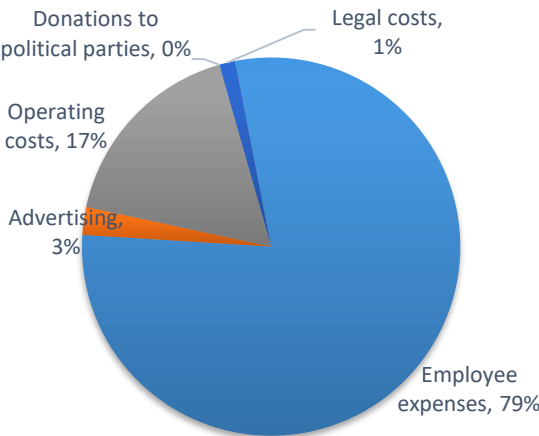


2021

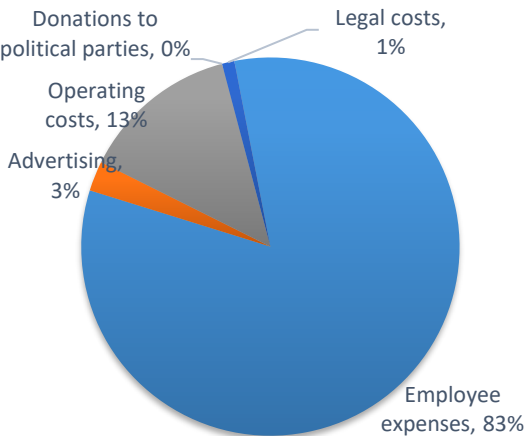


PARENT

2022



2021



Signature of designated officer:

Name and title of designated officer: Damien Cahill
NTEU General Secretary

NTEU
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Principal activities

The principal activities of the NTEU 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 NTEU'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 NTEU.

Significant changes in the nature of principal activities

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

Significant changes in the NTEU's financial affairs

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

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 National Executive'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 26,114 (2021: 27,931).

Number of employees

The number of persons who were, at the end of the financial year, employees of the NTEU was 121.31 (2021: 122.46) measured on a full-time equivalent basis.

NTEU
OPERATING REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2022

Members of the committee of management

The persons who held office as members of the National Executive (as the committee of management) of the NTEU during the financial year were:

| Position | Name | Period |
|---|----------------------|----------------------------|
| National President | Alison Barnes | 1 Jul 2021 to 30 Jun 2022 |
| General Secretary | Matthew McGowan | 1 Jul 2021 to 30 Jun 2022 |
| National Assistant Secretary | Gabrielle Gooding | 1 Jul 2021 to 30 Jun 2022 |
| National Vice-President (Academic Staff) | Andrew Bonnell | 1 Jul 2021 to 30 Jun 2022 |
| National Vice-President (General Staff) | Catherine Rojas | 1 Jul 2021 to 7 Sep 2021 |
| National Vice-President (General Staff) | Ruth Jelley | 7 Sep 2021 to 30 Jun 2022 |
| National Executive Member (Aboriginal and Torres Strait Islander) | Sharlene Leroy-Dyer | 1 Jul 2021 to 30 Jun 2022 |
| National Executive Member (NSW) | Damien Cahill | 1 Jul 2021 to 30 Jun 2022 |
| National Executive Member (ACT) | Catherine Day | 1 Jul 2021 to 13 Aug 2021 |
| National Executive Member (ACT) | Lachlan Clohesy | 16 Aug 2021 to 30 Jun 2022 |
| National Executive Member (Tas) | Patrick McConville | 1 Jul 2021 to 5 Jun 2022 |
| National Executive Member (Tas) | Ruth Barton | 6 Jun 2022 to 30 Jun 2022 |
| National Executive Member (Qld) | Michael McNally | 1 Jul 2021 to 30 Jun 2022 |
| National Executive Member (SA) | Ronald Slee | 1 Jul 2021 to 3 Aug 2021 |
| National Executive Member (SA) | Andrew Miller | 4 Aug 2021 to 30 Jun 2022 |
| National Executive Member (WA) | Catherine Moore | 1 Jul 2021 to 30 Jun 2022 |
| National Executive Member (NT) | Rajeev Sharma | 1 Jul 2021 to 30 Jun 2022 |
| National Executive Member (Vic) | Melissa Slee | 1 Jul 2021 to 30 Jun 2022 |
| National Executive Member (Ordinary) | Steve Adams | 1 Jul 2021 to 7 Sep 2021 |
| National Executive Member (Ordinary) | Vince Caughley | 1 Jul 2021 to 30 Jun 2022 |
| National Executive Member (Ordinary) | Andrea Lamont-Mills | 1 Jul 2021 to 30 Jun 2022 |
| National Executive Member (Ordinary) | Virginia Mansel Lees | 1 Jul 2021 to 7 Sep 2021 |
| National Executive Member (Ordinary) | Nick Warner | 1 Jul 2021 to 7 Sep 2021 |
| National Executive Member (Ordinary) | Nikola Balnave | 1 Jul 2021 to 30 Jun 2022 |
| National Executive Member (Ordinary) | Terri Mylett | 7 Sep 2021 to 30 Jun 2022 |
| National Executive Member (Ordinary) | Sam Green | 7 Sep 2021 to 30 Jun 2022 |
| National Executive Member (Ordinary) | Michael Callaghan | 7 Sep 2021 to 30 Jun 2022 |
| National Executive Member (Ordinary) | Kate Berniz | 7 Sep 2021 to 30 Jun 2022 |
| National Executive Member (Ordinary) | Heather Benbow | 7 Sep 2021 to 30 Jun 2022 |

NTEU
OPERATING REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2022

Manner of resignation – s254(2)(c)

Members may resign from the NTEU 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 NTEU 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 NTEU
 - (i) on the day on which the notice is received by the NTEU; 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 NTEU; 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 NTEU in a court of competent jurisdiction, as a debt due to the NTEU.
- (4) A notice delivered to the Division Secretary or Branch Secretary shall be taken to have been received by the NTEU when it was delivered.
- (5) A notice of resignation that has been received by the NTEU 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 NTEU 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 NTEU.



Damien Cahill
 NTEU General Secretary
 21 December 2022



Alison Barnes
 NTEU President
 21 December 2022

NTEU
NATIONAL EXECUTIVE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

On 21 December 2022 the National Executive (being the committee of management) of the NTEU passed the following resolution in relation to the general purpose financial report (GPFR) of the NTEU (as the reporting unit) for the financial year ended 30 June 2022:

The National Executive 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 NTEU for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the NTEU 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 National Executive were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii. the financial affairs of the NTEU 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 NTEU 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 NTEU 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 NTEU 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 National Executive.



Damien Cahill
 NTEU General Secretary
 21 December 2022



Alison Barnes
 NTEU President
 21 December 2022

NTEU
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

| | | CONSOLIDATED | | PARENT | |
|--|-------------|---------------------|-------------------|-------------------|-------------------|
| | Note | 2022 | 2021 | 2022 | 2021 |
| | | \$ | \$ | \$ | \$ |
| REVENUE | | | | | |
| REVENUE FROM CONTRACTS WITH CUSTOMERS | | | | | |
| Membership subscriptions | 3 | 22,573,108 | 23,979,875 | 22,573,108 | 23,979,875 |
| OTHER INCOME | | | | | |
| Non-operating revenue | 3 | <u>2,772,176</u> | <u>2,861,256</u> | <u>2,632,725</u> | <u>2,546,041</u> |
| TOTAL REVENUE | | <u>25,345,284</u> | <u>26,841,131</u> | <u>25,205,833</u> | <u>26,525,916</u> |
| EXPENSES | | | | | |
| Employee benefits | 5 | 15,199,757 | 15,611,917 | 15,199,757 | 15,611,917 |
| Officeholder benefits | 5,19(a) | 2,539,700 | 2,199,575 | 2,539,700 | 2,199,575 |
| Depreciation and amortisation | 11, 12 | 792,336 | 740,396 | 397,125 | 351,689 |
| Other expenses | 4 | <u>6,847,657</u> | <u>3,957,064</u> | <u>6,984,367</u> | <u>3,683,056</u> |
| TOTAL EXPENSES | | <u>25,379,450</u> | <u>22,508,952</u> | <u>25,120,949</u> | <u>21,846,237</u> |
| NET OPERATING RESULT | | <u>(34,166)</u> | <u>4,332,179</u> | <u>84,884</u> | <u>4,679,679</u> |
| OTHER ECONOMIC FLOWS | | | | | |
| Revaluation of land and buildings | 11(ii) | - | - | - | - |
| Net change in financial assets through OCI | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL COMPREHENSIVE INCOME | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| COMPREHENSIVE RESULT | | <u>(34,166)</u> | <u>4,332,179</u> | <u>84,884</u> | <u>4,679,679</u> |
| NET OPERATING RESULT FOR THE YEAR IS ATTRIBUTABLE TO: | | | | | |
| Non-controlling interest | | 85,628 | (142,823) | - | - |
| Owners of the parent | | <u>(119,794)</u> | <u>4,475,002</u> | <u>84,884</u> | <u>4,679,679</u> |
| | | <u>(34,166)</u> | <u>4,332,179</u> | <u>84,884</u> | <u>4,679,679</u> |
| TOTAL COMPREHENSIVE RESULT FOR THE YEAR IS ATTRIBUTABLE TO: | | | | | |
| Non-controlling interest | | 85,628 | (142,823) | - | - |
| Owners of the parent | | <u>(119,794)</u> | <u>4,475,002</u> | <u>84,884</u> | <u>4,679,679</u> |
| | | <u>(34,166)</u> | <u>4,332,179</u> | <u>84,884</u> | <u>4,679,679</u> |

The accompanying notes form part of these financial statements.

NTEU
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

| | | CONSOLIDATED | | PARENT | |
|--------------------------------------|-------------|---------------------|-------------------|-------------------|-------------------|
| | Note | 2022 | 2021 | 2022 | 2021 |
| | | \$ | \$ | \$ | \$ |
| ASSETS | | | | | |
| Cash and cash equivalents | 6 | 2,486,522 | 3,254,526 | 2,380,729 | 3,071,424 |
| Trade and other receivables | 7 | 656,338 | 1,272,946 | 724,248 | 1,152,545 |
| Other financial assets | 8 | 15,771,478 | 14,019,850 | 15,771,478 | 14,019,850 |
| Other assets | 9 | 362,713 | 252,033 | 307,307 | 244,330 |
| TOTAL CURRENT ASSETS | | <u>19,277,051</u> | <u>18,799,355</u> | <u>19,183,762</u> | <u>18,488,149</u> |
| NON-CURRENT ASSETS | | | | | |
| Other financial assets | 8 | - | - | 13,996,080 | 13,996,080 |
| Investment properties | 10 | 3,056,100 | 3,421,600 | 3,056,100 | 3,421,600 |
| Property, plant and equipment | 11 | 29,154,929 | 29,166,596 | 5,953,048 | 5,824,718 |
| Intangible assets | 12 | 23,635 | 51,684 | 23,635 | 51,684 |
| TOTAL NON-CURRENT ASSETS | | <u>32,234,664</u> | <u>32,639,880</u> | <u>23,028,863</u> | <u>23,294,082</u> |
| TOTAL ASSETS | | <u>51,511,715</u> | <u>51,439,235</u> | <u>42,212,625</u> | <u>41,782,231</u> |
| LIABILITIES | | | | | |
| Trade and other payables | 13 | 1,345,251 | 932,424 | 1,117,525 | 694,284 |
| Provisions | 14 | 3,965,764 | 3,966,403 | 3,965,764 | 3,966,403 |
| Lease liabilities | 15 | 59,682 | 59,329 | 59,682 | 59,329 |
| TOTAL CURRENT LIABILITIES | | <u>5,370,697</u> | <u>4,958,156</u> | <u>5,142,971</u> | <u>4,720,016</u> |
| NON-CURRENT LIABILITIES | | | | | |
| Provisions | 14 | 402,523 | 437,912 | 402,523 | 437,912 |
| Lease liabilities | 15 | 20,111 | 62,167 | 20,111 | 62,167 |
| TOTAL NON-CURRENT LIABILITIES | | <u>422,634</u> | <u>500,079</u> | <u>422,634</u> | <u>500,079</u> |
| TOTAL LIABILITIES | | <u>5,793,331</u> | <u>5,458,235</u> | <u>5,565,605</u> | <u>5,220,095</u> |
| NET ASSETS | | <u>45,718,384</u> | <u>45,981,000</u> | <u>36,647,020</u> | <u>36,562,136</u> |
| EQUITY | | | | | |
| Reserves | 16 | 32,908,302 | 32,801,744 | 26,688,612 | 26,582,054 |
| Retained earnings | 17 | 3,329,363 | 3,555,715 | 9,958,408 | 9,980,082 |
| Non-controlling interest | | 9,480,719 | 9,623,541 | - | - |
| TOTAL EQUITY | | <u>45,718,384</u> | <u>45,981,000</u> | <u>36,647,020</u> | <u>36,562,136</u> |

The accompanying notes form part of these financial statements.

NTEU
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

| | Reserves | Retained Earnings | Non-Controlling Interest | Total Equity |
|-----------------------------|-------------------|--------------------|--------------------------|-------------------|
| | \$ | \$ | \$ | \$ |
| CONSOLIDATED | | | | |
| At 1 July 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> | <u>-</u> | <u>-</u> |
| At 30 June 2021 | <u>32,801,744</u> | <u>3,555,715</u> | <u>9,623,541</u> | <u>45,981,000</u> |
| Net Operating Result | - | (119,794) | 85,628 | (34,166) |
| Other Comprehensive Income | - | - | - | - |
| Transfer (from)/to reserves | 106,558 | (106,558) | - | - |
| Distribution to unitholders | <u>-</u> | <u>-</u> | <u>(228,450)</u> | <u>(228,450)</u> |
| As at 30 June 2022 | <u>32,908,302</u> | <u>3,329,363</u> | <u>9,480,719</u> | <u>45,718,384</u> |
| PARENT | | | | |
| At 1 July 2020 | <u>22,606,695</u> | <u>9,275,762</u> | <u>-</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> | <u>-</u> | <u>-</u> |
| At 30 June 2021 | <u>26,582,054</u> | <u>9,980,082</u> | <u>-</u> | <u>36,562,136</u> |
| Net Operating Result | - | 84,884 | - | 84,884 |
| Other Comprehensive Income | - | - | - | - |
| Transfer (from)/to reserves | <u>106,558</u> | <u>(106,558)</u> | <u>-</u> | <u>-</u> |
| As at 30 June 2022 | <u>26,688,612</u> | <u>9,958,408</u> | <u>-</u> | <u>36,647,020</u> |

The accompanying notes form part of these financial statements.

NTEU
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

| | | CONSOLIDATED | | PARENT | |
|--|-------------|---------------------|--------------------|--------------------|--------------------|
| | Note | 2022 | 2021 | 2022 | 2021 |
| | | \$ | \$ | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Revenue from members and other activities | | 26,885,625 | 27,009,550 | 26,461,343 | 26,656,353 |
| Interest received | | 260,142 | 217,099 | 260,142 | 217,099 |
| Distribution received | | 267,983 | 510,431 | 267,983 | 510,431 |
| Payments to suppliers and employees | | (22,478,061) | (21,487,899) | (22,457,658) | (21,258,354) |
| Net GST paid to Australian Tax Office | | (1,929,932) | (2,114,791) | (1,932,408) | (2,084,046) |
| Net cash (used in)/provided by operating activities | 18 | 3,005,757 | 4,134,390 | 2,599,402 | 4,041,483 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Proceeds from disposal of other financial assets | | 2,223,827 | 2,171,150 | 2,223,827 | 2,171,150 |
| Payments for other financial assets | | (5,317,449) | (8,386,440) | (5,317,449) | (8,386,440) |
| Payments for property, plant & equipment | | (376,348) | (86,952) | (121,134) | (86,952) |
| Payments for intangible assets | | (10,280) | (56,646) | (10,280) | (56,646) |
| Net cash (used in)/provided by investing activities | | (3,480,250) | (6,358,888) | (3,225,036) | (6,358,888) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Repayment of right-of-use lease liabilities | | (65,061) | (42,503) | (65,061) | (42,503) |
| Distribution to minority interest | | (228,450) | - | - | - |
| Net cash (used in)/provided by financing activities | | (293,511) | (42,503) | (65,061) | (42,503) |
| Net (decrease)/increase in cash & cash equivalents held | | (768,004) | (2,267,001) | (690,695) | (2,359,908) |
| Cash and cash equivalents at beginning of year | | 3,254,526 | 5,521,527 | 3,071,424 | 5,431,332 |
| Cash and cash equivalents at end of year | 6 | 2,486,522 | 3,254,526 | 2,380,729 | 3,071,424 |

The accompanying notes form part of these financial statements.

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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 2022 (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 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Revenue recognition

The 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 2022

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 NTEU'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 2022

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 NTEU 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 NTEU 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 2022

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 NTEU 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 NTEU recognises managed investment schemes under this category.

Financial assets at fair value through other comprehensive income (OCI) 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 NTEU 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 2022

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 NTEU, 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>2022</i> | <i>2021</i> |
|-----------------------|---------------------------|-------------|-------------|
| Buildings | Straight Line | 2.5% | 2.5% |
| Buildings (ROU) | Straight Line | 12.5-50% | 12.5-50% |
| 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>2022</i> | <i>2021</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 2022

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 NTEU'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 NTEU, therefore no compulsory fund exists for the NTEU.

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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.

NTEU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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.

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

| | CONSOLIDATED | | PARENT | |
|---|---------------------|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$ | \$ | \$ | \$ |
| NOTE 3: REVENUE | | | | |
| Revenue from contracts with customers: | | | | |
| Membership subscriptions | 22,573,108 | 23,979,875 | 22,573,108 | 23,979,875 |
| Capitation fees from other reporting units | - | - | - | - |
| Levies | - | - | - | - |
| | <u>22,573,108</u> | <u>23,979,875</u> | <u>22,573,108</u> | <u>23,979,875</u> |
| Other Income: | | | | |
| Rental income | 1,040,916 | 822,198 | 971,910 | 610,158 |
| Distributions | 267,983 | 510,431 | 267,983 | 510,431 |
| Interest income | 260,142 | 217,099 | 260,142 | 217,099 |
| Director fees | 72,462 | 60,170 | 72,462 | 60,170 |
| Sundry income | 102,470 | 218,923 | 32,025 | 115,748 |
| Proceeds from external association closure (Note 3(i)) | 722,434 | - | 722,434 | - |
| Voluntary member contributions for industrial action (Note 3(ii)) | 33,817 | - | 33,817 | - |
| Profit on sale of investments | 271,952 | 184,904 | 271,952 | 184,904 |
| Change in market value of investments | - | 847,531 | - | 847,531 |
| Donations or grants | - | - | - | - |
| | <u>2,772,176</u> | <u>2,861,256</u> | <u>2,632,725</u> | <u>2,546,041</u> |
| Total non-operating revenue | <u>2,772,176</u> | <u>2,861,256</u> | <u>2,632,725</u> | <u>2,546,041</u> |
| Total revenue | <u>25,345,284</u> | <u>26,841,131</u> | <u>25,205,833</u> | <u>26,525,916</u> |

NOTE 3(i): PROCEEDS FROM EXTERNAL ASSOCIATION CLOSURE

In March 2022, the Curtin University Staff Association (CUSA) voluntarily closed down and distributed surplus property in accordance with the *Associations Incorporation Act 2015 (WA)* to the NTEU. The CUSA transferred \$54,034 in cash and a \$668,400 investment portfolio to the NTEU on closure.

NOTE 3(ii): 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 2022

| | CONSOLIDATED | | PARENT | |
|---|---------------------|------------------|------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$ | \$ | \$ | \$ |
| NOTE 4: OTHER EXPENSES | | | | |
| Affiliation fees (Note 4(ii)) | 485,228 | 477,512 | 485,228 | 477,512 |
| Audit services (Note 21) | 79,025 | 67,450 | 71,490 | 60,000 |
| Meetings and conferences | 101,813 | 114,881 | 101,813 | 114,881 |
| Industrial defence campaigns | 39,794 | 22,916 | 39,794 | 22,916 |
| Publications and recruitment | 493,233 | 526,973 | 493,233 | 526,973 |
| Travel and reimbursement | 227,577 | 213,700 | 227,577 | 213,700 |
| Property fund outgoings | 1,049,576 | 979,580 | 1,216,944 | 726,717 |
| Administration costs | 1,003,991 | 950,635 | 988,308 | 940,154 |
| iMis database | 215,006 | - | 215,006 | - |
| IT data recovery | 96,577 | - | 96,577 | - |
| Legal costs (Note 4(i)) | 302,919 | 212,527 | 302,919 | 212,527 |
| Change in market value of investments | 2,282,346 | - | 2,282,346 | - |
| Investment management fees | 108,220 | 91,005 | 108,220 | 91,005 |
| Compulsory levies/fees | - | - | - | - |
| Fees/allowances – meeting and conferences | - | - | - | - |
| Capitation fees to other reporting units | - | - | - | - |
| Penalties – via RO Act or the <i>Fair Work Act 2009</i> | - | - | - | - |
| Grants and donations (Note 4(iii)) | 46,161 | 43,206 | 46,161 | 43,206 |
| Employer payroll deductions of membership subscriptions | 172,047 | 205,677 | 172,047 | 205,677 |
| Other expenses | 144,144 | 51,002 | 136,704 | 47,788 |
| | <u>6,847,657</u> | <u>3,957,064</u> | <u>6,984,367</u> | <u>3,683,056</u> |

NOTE 4 (i): LEGAL COSTS

| | | | | |
|---------------------|----------------|----------------|----------------|----------------|
| Litigation costs | 209,196 | 176,900 | 209,196 | 176,900 |
| Other legal matters | 93,723 | 35,627 | 93,723 | 35,627 |
| | <u>302,919</u> | <u>212,527</u> | <u>302,919</u> | <u>212,527</u> |

NTEU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

| | CONSOLIDATED | | PARENT | |
|--|----------------|----------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$ | \$ | \$ | \$ |
| NOTE 4: OTHER EXPENSES (continued) | | | | |
| NOTE 4 (ii): AFFILIATION FEES | | | | |
| Australia Asia Workers Link | 364 | - | 364 | - |
| Australian Council of Trade Unions | 163,982 | 160,649 | 163,982 | 160,649 |
| Australian People for Health, Education and Development Abroad | 3,652 | 3,986 | 3,652 | 3,986 |
| Ballarat Regional Trades & Labour Council | 1,544 | 926 | 1,544 | 926 |
| Bendigo Trades Hall Council | 736 | 736 | 736 | 736 |
| Council of Pacific Education | 1,200 | 600 | 1,200 | 600 |
| Diversity Council Australia | 1,664 | - | 1,664 | - |
| Education International | 66,044 | 70,035 | 66,044 | 70,035 |
| First Nations Workers Alliance | - | 1,364 | - | 1,364 |
| Geelong Trades Hall Council | 2,814 | 2,716 | 2,814 | 2,716 |
| Gippsland Trades Hall Council | 847 | 847 | 847 | 847 |
| Goulburn Valley Trades & Labour Council | 239 | 297 | 239 | 297 |
| Labour History Society SA | 91 | 100 | 91 | 100 |
| Newcastle Trade Hall Council | 1,819 | 1,653 | 1,819 | 1,653 |
| North East & Border Trades & Labour Council | 1,172 | 1,152 | 1,172 | 1,152 |
| NT Trades & Labor Council | 2,445 | 2,694 | 2,445 | 2,694 |
| Queensland Council of Unions | 29,141 | 30,889 | 29,141 | 30,889 |
| Queensland Council of Unions Cairns | 110 | - | 110 | - |
| Queensland Council of Unions Toowoomba | | | | |
| Provincial Council | 110 | 100 | 110 | 100 |
| Scholars at Risk | 6,730 | 7,125 | 6,730 | 7,125 |
| Science & Technology Australia | 7,477 | 7,367 | 7,477 | 7,367 |
| South West Trades & Labour Council | 257 | 237 | 257 | 237 |
| Sunraysia Trades & Labour Council | 55 | 75 | 55 | 75 |
| Sydney Alliance | 5,956 | 5,892 | 5,956 | 5,892 |
| The Australia Institute | 25,000 | 25,010 | 25,000 | 25,010 |
| Unions ACT | 9,600 | 8,576 | 9,600 | 8,576 |
| Unions NSW | 36,221 | 31,103 | 36,221 | 31,103 |
| Unions South Australia | 11,706 | 11,575 | 11,706 | 11,575 |
| Unions Tasmania | 6,084 | 6,016 | 6,084 | 6,016 |
| Unions Western Australia | 19,487 | 19,487 | 19,487 | 19,487 |
| Victorian Trades Hall Council | 77,280 | 74,938 | 77,280 | 74,938 |
| Worker Health Centre | 1,401 | 1,367 | 1,401 | 1,367 |
| | <u>485,228</u> | <u>477,512</u> | <u>485,228</u> | <u>477,512</u> |

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

| | CONSOLIDATED | | PARENT | |
|---|---------------------|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$ | \$ | \$ | \$ |
| NOTE 4(iii): GRANTS AND DONATIONS | | | | |
| Grants: | | | | |
| Total amount paid in grants that exceeded \$1,000 | 17,500 | 22,500 | 17,500 | 22,500 |
| Total amount paid in grants that were \$1,000 or less | - | - | - | - |
| Donations: | | | | |
| Total amount paid in donations that exceeded \$1,000 | 20,000 | 17,000 | 20,000 | 17,000 |
| Total amount paid in donations that were \$1,000 or less | 8,661 | 3,706 | 8,661 | 3,706 |
| | <u>46,161</u> | <u>43,206</u> | <u>46,161</u> | <u>43,206</u> |
| NOTE 5: EMPLOYEE BENEFITS | | | | |
| Officeholders: | | | | |
| Wages and salaries | 1,876,400 | 1,587,383 | 1,876,400 | 1,587,383 |
| Superannuation | 356,225 | 315,159 | 356,225 | 315,159 |
| Leave and other entitlements | 307,075 | 297,033 | 307,075 | 297,033 |
| Separation and redundancies | - | - | - | - |
| Other employee expenses | - | - | - | - |
| Subtotal employee expenses for officeholders | <u>2,539,700</u> | <u>2,199,575</u> | <u>2,539,700</u> | <u>2,199,575</u> |
| Employees other than officeholders: | | | | |
| Wages and salaries | 10,722,315 | 11,280,906 | 10,722,315 | 11,280,906 |
| Superannuation | 1,987,977 | 2,030,471 | 1,987,977 | 2,030,471 |
| Leave and other entitlements | 1,307,403 | 1,412,106 | 1,307,403 | 1,412,106 |
| Separation and redundancies | 223,441 | - | 223,441 | - |
| Other employee expenses | 958,621 | 888,434 | 958,621 | 888,434 |
| Subtotal employee expenses for employees other than officeholders | <u>15,199,757</u> | <u>15,611,917</u> | <u>15,199,757</u> | <u>15,611,917</u> |
| Total employee benefits | <u>17,739,457</u> | <u>17,811,492</u> | <u>17,739,457</u> | <u>17,811,492</u> |

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

| | CONSOLIDATED | | PARENT | |
|--|---------------------|------------------|------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$ | \$ | \$ | \$ |
| NOTE 6: CASH AND CASH EQUIVALENTS | | | | |
| Current | | | | |
| Cash on hand | 100 | 183 | 100 | 183 |
| Cash at bank | 2,486,422 | 3,254,343 | 2,380,629 | 3,071,241 |
| Short term deposits | - | - | - | - |
| | <u>2,486,522</u> | <u>3,254,526</u> | <u>2,380,729</u> | <u>3,071,424</u> |

NOTE 7: TRADE AND OTHER RECEIVABLES

| | | | | |
|--|----------------|------------------|----------------|------------------|
| Current | | | | |
| Trade debtors | 5,787 | 26,879 | 5,787 | 26,879 |
| Provision for doubtful debts | - | - | - | - |
| Other receivables | 116,676 | 363,283 | 56,575 | 73,774 |
| Accrued income | 533,875 | 882,784 | 533,875 | 882,784 |
| Receivables from related parties (Note 18(b)(ii)) | - | - | - | - |
| Receivables from other reporting units | - | - | 128,011 | 169,108 |
| Less allowance for expected credit losses from other reporting units | - | - | - | - |
| Total trade and other receivables | <u>656,338</u> | <u>1,272,946</u> | <u>724,248</u> | <u>1,152,545</u> |

NOTE 8: OTHER FINANCIAL ASSETS

| | | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| Current | | | | |
| Investments in managed funds | <u>15,771,478</u> | <u>14,019,850</u> | <u>15,771,478</u> | <u>14,019,850</u> |
| Non-Current | | | | |
| Investments – at valuation: | | | | |
| Federation of Education Unions 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>15,771,478</u> | <u>14,019,850</u> | <u>29,767,558</u> | <u>28,015,930</u> |

NOTE 9: OTHER ASSETS

| | | | | |
|----------------|----------------|----------------|----------------|----------------|
| Current | | | | |
| Prepayments | <u>362,713</u> | <u>252,033</u> | <u>307,307</u> | <u>244,330</u> |

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

| CONSOLIDATED | | PARENT | |
|---------------------|-------------|---------------|-------------|
| 2022 | 2021 | 2022 | 2021 |
| \$ | \$ | \$ | \$ |

NOTE 10: INVESTMENT PROPERTIES

(i) Carrying amount

Non-current

| | | | | |
|-----------------------------------|------------------|------------------|------------------|------------------|
| Land and buildings - at Valuation | <u>3,056,100</u> | <u>3,421,600</u> | <u>3,056,100</u> | <u>3,421,600</u> |
|-----------------------------------|------------------|------------------|------------------|------------------|

Non-specialised land and non-specialised buildings are valued using the market based direct comparison method. This means that valuations performed by the valuer are 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 NTEU from its investment properties amounted to \$158,935 for the year (2021: \$168,408). Direct operating expenses arising on the investment properties amounted to \$77,242 (2021: \$70,833).

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 NTEU's investment property and information about the fair value hierarchy as at 30 June 2022 are as follows:

| | Level 1 | Level 2 | Level 3 |
|--------------------|----------------|----------------|----------------|
| | \$ | \$ | \$ |
| Land and buildings | - | 3,056,100 | - |
| Total | - | 3,056,100 | - |

| CONSOLIDATED | | PARENT | |
|---------------------|-------------|---------------|-------------|
| 2022 | 2021 | 2022 | 2021 |
| \$ | \$ | \$ | \$ |

(ii) Reconciliation of the carrying amount

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Balance at beginning of year | 3,421,600 | 3,421,600 | 3,421,600 | 3,421,600 |
| Revaluation | - | - | - | - |
| Transfer to property, plant and equipment | (365,500) | - | (365,500) | - |
| Balance at end of year | <u>3,056,100</u> | <u>3,421,600</u> | <u>3,056,100</u> | <u>3,421,600</u> |

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 11: PROPERTY, PLANT & EQUIPMENT

| | CONSOLIDATED | | PARENT | |
|-----------------------------------|---------------------|-------------------|------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$ | \$ | \$ | \$ |
| (i) Carrying amount | | | | |
| LAND AND BUILDINGS | | | | |
| Non-current | | | | |
| Land and buildings – at Valuation | 29,373,900 | 29,008,400 | 5,873,900 | 5,508,400 |
| Accumulated depreciation | (979,558) | (485,210) | (284,558) | (137,710) |
| | <u>28,394,342</u> | <u>28,523,190</u> | <u>5,589,342</u> | <u>5,370,690</u> |
| Buildings (ROU) | 212,237 | 200,195 | 212,237 | 200,195 |
| Accumulated depreciation | (137,621) | (83,243) | (137,621) | (83,243) |
| | <u>74,616</u> | <u>116,952</u> | <u>74,616</u> | <u>116,952</u> |
| Total land and buildings | <u>28,468,958</u> | <u>28,640,142</u> | <u>5,663,958</u> | <u>5,487,642</u> |

Valuation basis

Non-specialised land and buildings

Non-specialised land and buildings are valued using the market based direct comparison method. This means that valuations performed by the valuer are 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 2022

NOTE 11: PROPERTY, PLANT & EQUIPMENT (continued)

| PLANT AND EQUIPMENT | CONSOLIDATED | | PARENT | |
|---|---------------------|-------------------|------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$ | \$ | \$ | \$ |
| Non-current | | | | |
| Office equipment, fixtures & fittings - at cost | 1,184,142 | 848,263 | 546,598 | 465,933 |
| Accumulated depreciation | (646,879) | (502,182) | (406,216) | (309,230) |
| | <u>537,263</u> | <u>346,081</u> | <u>140,382</u> | <u>156,703</u> |
| Leasehold improvements - at cost | 599,896 | 559,428 | 599,896 | 559,428 |
| Accumulated depreciation | (454,643) | (400,280) | (454,643) | (400,280) |
| | <u>145,253</u> | <u>159,148</u> | <u>145,253</u> | <u>159,148</u> |
| Motor Vehicles - at cost | 120,373 | 120,373 | 120,373 | 120,373 |
| Accumulated depreciation | (116,918) | (99,148) | (116,918) | (99,148) |
| | <u>3,455</u> | <u>21,225</u> | <u>3,455</u> | <u>21,225</u> |
| Total plant and equipment | <u>685,971</u> | <u>526,454</u> | <u>289,090</u> | <u>337,076</u> |
| Total property, plant & equipment | <u>29,154,929</u> | <u>29,166,596</u> | <u>5,953,048</u> | <u>5,824,718</u> |

NTEU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 11: PROPERTY, PLANT & EQUIPMENT (continued)

(ii) Reconciliation of the carrying amount

CONSOLIDATED

| | Land & buildings | Building (ROU) | Office equipment fixtures & fittings | Leasehold improvements | Motor Vehicles | Work in Progress | Total |
|-------------------------------------|------------------|----------------|--------------------------------------|------------------------|----------------|------------------|------------|
| 2022 | | | | | | | |
| Balance at 1 July 2021 | 28,523,190 | 116,952 | 346,081 | 159,148 | 21,225 | - | 29,166,596 |
| Additions | - | 42,218 | 335,879 | 40,468 | - | - | 418,565 |
| Disposals | - | (18,859) | - | - | - | - | (18,859) |
| Revaluation | - | - | - | - | - | - | - |
| Transfer from investment properties | 365,500 | - | - | - | - | - | 365,500 |
| Depreciation | (494,348) | (65,695) | (144,697) | (54,363) | (17,770) | - | (776,873) |
| Balance at 30 June 2022 | 28,394,342 | 74,616 | 537,263 | 145,253 | 3,455 | - | 29,154,929 |
| | | | | | | | |
| 2021 | | | | | | | |
| 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 |

NTEU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 11: PROPERTY, PLANT & EQUIPMENT (continued)

(ii) Reconciliation of the carrying amount (continued)

PARENT

| 2022 | Land & buildings | Building (ROU) | Office equipment fixtures & fittings | Leasehold improvements | Motor Vehicles | Work in Progress | Total |
|-------------------------------------|------------------|----------------|--------------------------------------|------------------------|----------------|------------------|-----------|
| Balance at 1 July 2021 | 5,370,690 | 116,952 | 156,703 | 159,148 | 21,225 | - | 5,824,718 |
| Additions | - | 42,218 | 80,665 | 40,468 | - | - | 163,351 |
| Disposals | - | (18,859) | - | - | - | - | (18,859) |
| Revaluation | - | - | - | - | - | - | - |
| Transfer from investment properties | 365,500 | - | - | - | - | - | 365,500 |
| Depreciation | (146,848) | (65,695) | (96,986) | (54,363) | (17,770) | - | (381,662) |
| Balance at 30 June 2022 | 5,589,342 | 74,616 | 140,382 | 145,253 | 3,455 | - | 5,953,048 |

| 2021 | Land & buildings | Building (ROU) | Office equipment fixtures & fittings | Leasehold improvements | Motor Vehicles | Work in Progress | Total |
|-------------------------|------------------|----------------|--------------------------------------|------------------------|----------------|------------------|-----------|
| Balance at 1 July 2021 | 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 as 30 June 2021 | 5,370,690 | 116,952 | 156,703 | 159,148 | 21,225 | - | 5,824,718 |

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

| | CONSOLIDATED | | PARENT | |
|---|---------------------|------------------|------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$ | \$ | \$ | \$ |
| NOTE 12: INTANGIBLE ASSETS | | | | |
| (i) Book value disclosure | | | | |
| Non-current | | | | |
| Software at cost | 77,772 | 90,359 | 77,772 | 90,359 |
| Accumulated amortisation | (54,137) | (38,675) | (54,137) | (38,675) |
| | <u>23,635</u> | <u>51,684</u> | <u>23,635</u> | <u>51,684</u> |
| (ii) Reconciliation of carrying amount | | | | |
| Balance at beginning of the year | 51,684 | 3,152 | 51,684 | 3,152 |
| Additions | 10,280 | 56,646 | 10,280 | 56,646 |
| Impairment expense | (22,866) | - | (22,866) | - |
| Amortisation | (15,463) | (8,114) | (15,463) | (8,114) |
| Balance at end of the year | <u>23,635</u> | <u>51,684</u> | <u>23,635</u> | <u>51,684</u> |
| NOTE 13: TRADE AND OTHER PAYABLES | | | | |
| Current | | | | |
| Trade creditors and accruals | 1,132,700 | 647,388 | 965,842 | 484,817 |
| Litigation costs payable | - | - | - | - |
| Other legal costs payable | - | - | - | - |
| Employer payroll deductions of membership subscriptions | - | - | - | - |
| GST payable | 126,168 | 183,952 | 126,168 | 183,952 |
| Sundry creditors | 86,383 | 101,084 | 25,515 | 25,515 |
| Payables to other reporting units (Note 18(c)(ii)) | - | - | - | - |
| | <u>1,345,251</u> | <u>932,424</u> | <u>1,117,525</u> | <u>694,284</u> |
| NOTE 14: PROVISIONS | | | | |
| Current | | | | |
| <i>Current provisions expected to be settled within 12 months</i> | | | | |
| Officeholders: | | | | |
| Annual leave | 169,077 | 136,121 | 169,077 | 136,121 |
| Long service leave | 8,436 | 8,084 | 8,436 | 8,084 |
| Separation and redundancies | - | - | - | - |
| Other employee provisions | - | - | - | - |
| Subtotal for officeholders | <u>177,513</u> | <u>144,205</u> | <u>177,513</u> | <u>144,205</u> |
| Employees other than officeholders: | | | | |
| Annual leave | 959,634 | 1,019,935 | 959,634 | 1,019,935 |
| Long service leave | 78,530 | 77,172 | 78,530 | 77,172 |
| Separation and redundancies | - | - | - | - |
| Other employee provisions | - | - | - | - |
| Subtotal for employees other than officeholders: | <u>1,038,164</u> | <u>1,097,107</u> | <u>1,038,164</u> | <u>1,097,107</u> |
| | <u>1,215,677</u> | <u>1,241,312</u> | <u>1,215,677</u> | <u>1,241,312</u> |

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

| | CONSOLIDATED | | PARENT | |
|--|---------------------|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$ | \$ | \$ | \$ |
| NOTE 14: PROVISIONS (Continued) | | | | |
| Current | | | | |
| <i>Current provisions expected to be settled after 12 months</i> | | | | |
| Officeholders: | | | | |
| Annual leave | 99,299 | 79,944 | 99,299 | 79,944 |
| Long service leave | 202,468 | 194,014 | 202,468 | 194,014 |
| Separation and redundancies | - | - | - | - |
| Other employee provisions | - | - | - | - |
| Subtotal for officeholders | <u>301,767</u> | <u>273,958</u> | <u>301,767</u> | <u>273,958</u> |
| Employees other than officeholders: | | | | |
| Annual leave | 563,595 | 599,010 | 563,595 | 599,010 |
| Long service leave | 1,884,725 | 1,852,123 | 1,884,725 | 1,852,123 |
| Separation and redundancies | - | - | - | - |
| Other employee provisions | - | - | - | - |
| Subtotal for employees other than officeholders: | <u>2,448,320</u> | <u>2,451,133</u> | <u>2,448,320</u> | <u>2,451,133</u> |
| | <u>2,750,087</u> | <u>2,725,091</u> | <u>2,750,087</u> | <u>2,725,091</u> |
| Total current provisions | <u>3,965,764</u> | <u>3,966,403</u> | <u>3,965,764</u> | <u>3,966,403</u> |
| Non current | | | | |
| Long service leave- for employees | 322,558 | 377,331 | 322,558 | 377,331 |
| Long service leave- for officeholders | 79,965 | 60,581 | 79,965 | 60,581 |
| Total non current provisions | <u>402,523</u> | <u>437,912</u> | <u>402,523</u> | <u>437,912</u> |
| Total provisions | <u>4,368,287</u> | <u>4,404,315</u> | <u>4,368,287</u> | <u>4,404,315</u> |
| NOTE 15: LEASE LIABILITIES | | | | |
| Current | | | | |
| Right-of-use lease liabilities | <u>59,682</u> | <u>59,329</u> | <u>59,682</u> | <u>59,329</u> |
| Non-Current | | | | |
| Right-of-use lease liabilities | <u>20,111</u> | <u>62,167</u> | <u>20,111</u> | <u>62,167</u> |
| NOTE 16: RESERVES | | | | |
| Defence reserve | 10,689,246 | 10,546,660 | 10,689,246 | 10,546,660 |
| Leave reserve | 4,368,287 | 4,404,315 | 4,368,287 | 4,404,315 |
| 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>32,908,302</u> | <u>32,801,744</u> | <u>26,688,612</u> | <u>26,582,054</u> |

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

| | CONSOLIDATED | | PARENT | |
|---|---------------------|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$ | \$ | \$ | \$ |
| NOTE 16: RESERVES (Continued) | | | | |
| Movements during the year | | | | |
| <i>Defence reserve</i> ^(a) | | | | |
| Balance at beginning of year | 10,546,660 | 7,857,463 | 10,546,660 | 7,857,463 |
| Transfer to retained surplus | - | - | - | - |
| Transfer from retained surplus | 142,586 | 2,689,197 | 142,586 | 2,689,197 |
| Balance at end of year | <u>10,689,246</u> | <u>10,546,660</u> | <u>10,689,246</u> | <u>10,546,660</u> |
| <i>Leave reserve</i> ^(b) | | | | |
| Balance at beginning of year | 4,404,315 | 3,118,153 | 4,404,315 | 3,118,153 |
| Transfer to retained surplus | - | - | - | - |
| Transfer from retained surplus | (36,028) | 1,286,162 | (36,028) | 1,286,162 |
| Balance at end of year | <u>4,368,287</u> | <u>4,404,315</u> | <u>4,368,287</u> | <u>4,404,315</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 | 12,850,769 | 6,631,079 | 6,631,079 |
| Revaluation of properties | - | - | - | - |
| Net change in financial assets held through OCI | - | - | - | - |
| 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> |
| <i>(a) This reserve holds funds for taking action in support of our members</i> | | | | |
| <i>(b) This reserve holds funds to offset employee entitlements</i> | | | | |
| <i>(c) This reserve is held for the purpose of investing in current and future properties</i> | | | | |
| <i>(d) This reserve is used to record increments and decrements on the revaluation of land and buildings, and financial assets held through OCI</i> | | | | |

NOTE 17: RETAINED EARNINGS

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Retained surplus at beginning of the year | 3,555,715 | 3,056,072 | 9,980,082 | 9,275,762 |
| Net operating surplus/ (deficit) for the year | (119,794) | 4,475,002 | 84,884 | 4,679,679 |
| Transfer (to)/from reserves: | | | | |
| Defence reserve | (142,586) | (2,689,197) | (142,586) | (2,689,197) |
| Leave reserve | 36,028 | (1,286,162) | 36,028 | (1,286,162) |
| Asset Revaluation Reserve | - | - | - | - |
| Retained surplus at the end of the year | <u>3,329,363</u> | <u>3,555,715</u> | <u>9,958,408</u> | <u>9,980,082</u> |

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

| | CONSOLIDATED | | PARENT | |
|--|---------------------|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$ | \$ | \$ | \$ |
| NOTE 18: CASH FLOW INFORMATION | | | | |
| Reconciliation of net operating result to net cash flows from operating activities: | | | | |
| Net operating result | (34,166) | 4,332,179 | 84,884 | 4,679,679 |
| Non-cash flows in operating activities: | | | | |
| Depreciation and amortisation | 792,336 | 740,396 | 397,125 | 351,689 |
| Intangible assets impairment expense | 22,866 | - | 22,866 | - |
| Change in market value of investments | 2,282,346 | (847,531) | 2,282,346 | (847,531) |
| (Gain)/Loss on sale of investments | (271,952) | (184,904) | (271,952) | (184,904) |
| Proceeds from external association closure | (668,400) | - | (668,400) | - |
| Changes in assets and liabilities: | | | | |
| Decrease/(increase) in receivables | 616,608 | (561,790) | 428,297 | (549,382) |
| Decrease/(increase) in other assets | (110,680) | (46,511) | (62,977) | (42,756) |
| (Decrease)/increase in payables | 412,827 | 230,305 | 423,241 | 162,442 |
| (Decrease)/increase in employee provisions | (36,028) | 472,246 | (36,028) | 472,246 |
| Net cash flows from operating activities | <u>3,005,757</u> | <u>4,134,390</u> | <u>2,599,402</u> | <u>4,041,483</u> |
| Cash flow information for controlled entities and other reporting units: | | | | |
| Cash inflows | | | | |
| National Tertiary Education Union | 29,213,295 | 29,555,033 | 29,213,295 | 29,555,033 |
| Federation of Education Unions Unit Trust | 424,282 | 353,197 | - | - |
| Other reporting units | - | - | - | - |
| Total cash inflows | <u>29,637,577</u> | <u>29,908,230</u> | <u>29,213,295</u> | <u>29,555,033</u> |
| Cash outflows | | | | |
| National Tertiary Education Union | 29,903,990 | 31,914,941 | 29,903,990 | 31,914,941 |
| Federation of Education Unions Unit Trust | 273,141 | 260,290 | - | - |
| Other reporting units | - | - | - | - |
| Total cash outflows | <u>30,177,131</u> | <u>32,175,231</u> | <u>29,903,990</u> | <u>31,914,941</u> |

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 19: RELATED PARTY INFORMATION

(a) Transactions with Key Management Personnel

The names of each person holding the position of Elected Officers of the NTEU during the financial year are:

| | | | |
|---------------------|--------------------|---------------------|----------------------|
| Alison Barnes* | Gabrielle Gooding* | Michael McNally* | Sarah Roberts* |
| Andrea Lamont-Mills | Heather Benbow | Nikola Balnave | Sam Green |
| Andrew Bonnell | Kate Berniz | Patrick McConville* | Sharlene Leroy-Dyer |
| Andrew Miller* | Lachlan Clohesy* | Rajeev Sharma | Vince Caughley |
| Catherine Day* | Matthew McGowan* | Ronald Slee* | Virginia Mansel Lees |
| Catherine Moore* | Melissa Slee* | Ruth Barton | |
| Damien Cahill* | Michael Callaghan | Ruth Jelley | |

* 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 NTEU is set out below:

| | 2022 | 2021 |
|---------------------------------------|-------------------------|-------------------------|
| | \$ | \$ |
| Short-term employee benefits | | |
| Salary (including annual leave taken) | 1,876,400 | 1,587,383 |
| Annual leave accrued | 272,129 | 263,279 |
| | <u>2,093,731</u> | <u>1,850,662</u> |
| Post-employment benefits: | | |
| Superannuation | <u>356,225</u> | <u>315,159</u> |
| Other long-term benefits: | | |
| Long-service leave | <u>34,947</u> | <u>33,754</u> |
| | <u><u>2,539,700</u></u> | <u><u>2,199,575</u></u> |

The NTEU has eleven paid elected officers – three National Officers (President, General Secretary and National Assistant Secretary), six full time State Division Secretaries (ACT, NSW, QLD, SA, Victoria, and WA), and two Division Assistant Secretaries (NSW and Victoria). The State Division Secretaries for Northern Territory and Tasmania at 30 June 2022 are unpaid Officers. 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 2022 are:

| | | |
|-------------------------------|-----------|---------------------|
| President | \$216,101 | (112.5% of Level E) |
| General Secretary | \$216,101 | (112.5% of Level E) |
| National Assistant Secretary | \$192,090 | (100% of Level E) |
| Division Secretaries – Step 1 | \$150,382 | (100% of Level D) |
| Division Secretaries – Step 2 | \$155,007 | (100% of Level D) |
| Division Secretaries – Step 3 | \$157,484 | (100% of Level D) |

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 19: RELATED PARTY INFORMATION (continued)

(a) Transactions with Key Management Personnel (continued)

| | | |
|---------------------------------------|-----------|-------------------|
| Division Secretaries – Step 4 | \$164,655 | (100% of Level D) |
| Division Assistant Secretary – Step 1 | \$124,077 | (100% of Level C) |
| Division Assistant Secretary – Step 2 | \$126,866 | (100% of Level C) |
| Division Assistant Secretary – Step 3 | \$131,807 | (100% of Level C) |
| Division Assistant Secretary – Step 4 | \$136,517 | (100% of Level C) |
| Division Assistant Secretary – Step 5 | \$138,116 | (100% of Level C) |
| Division Assistant Secretary – Step 6 | \$143,741 | (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 NTEU has not made any payments to a former related party.

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

The NTEU is a tenant of the building owned by the F.E.U. Rent and outgoings of \$485,584 (2021: \$433,816) 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 2022, F.E.U. owed NTEU \$128,011 (30 June 2021: \$169,108). This is recorded as a receivable in the parent entity. For the year ended 30 June 2022, NTEU has not recorded any impairment of receivables relating to amounts owed by F.E.U. (2021: 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 | |
|---|--------------------------|--------------------|-------|
| | | 2022 | 2021 |
| National Tertiary Education Union | Australia | - | - |
| Subsidiaries of NTEU | | | |
| Federation of Education Unions Unit Trust | Australia | 58.9% | 58.9% |

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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 2022 | Carrying amount 2021 |
|------------------------------|-------------|-----------------------------------|-----------------------------|-----------------------------|
| Cash and cash equivalents | 6 | Amortised cost | 2,486,522 | 3,254,526 |
| Receivables | 7 | Amortised cost | 656,338 | 1,272,946 |
| Investments in managed funds | 8 | Fair value through profit or loss | 15,771,478 | 14,019,850 |
| Financial liabilities | | | | |
| Payables | 13 | Amortised cost | 1,219,083 | 748,472 |

(ii) Parent

| Financial assets | Note | Category | Carrying amount 2022 | Carrying amount 2021 |
|------------------------------|-------------|-----------------------------------|-----------------------------|-----------------------------|
| Cash and cash equivalents | 6 | Amortised cost | 2,380,729 | 3,071,424 |
| Receivables | 7 | Amortised cost | 724,248 | 1,152,545 |
| Investments in managed funds | 8 | Fair value through profit or loss | 15,771,478 | 14,019,850 |
| Investment in F.E.U | 8 | Fair value through OCI | 13,996,080 | 13,996,080 |
| Financial liabilities | | | | |
| Payables | 13 | Amortised cost | 991,357 | 510,332 |

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

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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

(c) Financial risk management objectives

The NTEU'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 NTEU is not exposed to any significant foreign currency risk.

Price risk

The NTEU is not exposed to any significant price risk.

Interest rate risk

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

Credit risk

The NTEU is not exposed to any significant credit risk.

Liquidity risk

Vigilant liquidity risk management requires the NTEU 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 NTEU 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> |
| 2022 | | | | | | |
| Payables | 0% | 1,219,083 | - | - | - | - |
| | | 1,219,083 | - | - | - | - |
| 2021 | | | | | | |
| Payables | 0% | 748,472 | - | - | - | - |
| | | 748,472 | - | - | - | - |
| (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> |
| 2022 | | | | | | |
| Payables | 0% | 991,357 | - | - | - | - |
| | | 991,357 | - | - | - | - |
| 2021 | | | | | | |
| Payables | 0% | 510,332 | - | - | - | - |
| | | 510,332 | - | - | - | - |

NTEU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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 NTEU's credit card facilities.

| | CONSOLIDATED | | PARENT | |
|---|---------------------|---------------|---------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$ | \$ | \$ | \$ |
| NOTE 21: AUDITOR'S REMUNERATION | | | | |
| Value of the services provided | | | | |
| <i>Auditors of the parent and group</i> | | | | |
| Financial statement audit services | 58,000 | 55,000 | 58,000 | 55,000 |
| Other services | 13,490 | 5,000 | 13,490 | 5,000 |
| | <u>71,490</u> | <u>60,000</u> | <u>71,490</u> | <u>60,000</u> |
| <i>Other auditors (subsidiary)</i> | | | | |
| Financial statement audit services | 7,000 | 7,000 | - | - |
| Other services | 535 | 450 | - | - |
| | <u>7,535</u> | <u>7,450</u> | <u>-</u> | <u>-</u> |
| | <u>79,025</u> | <u>67,450</u> | <u>71,490</u> | <u>60,000</u> |

NOTE 22: EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the NTEU's operations, the results of those operations, or the NTEU's state of affairs in future financial years.

NOTE 23: NTEU DETAILS

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

120 Clarendon Street
 South Melbourne Victoria 3205

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

Opinion

We have audited the financial report of the National Tertiary Education Union (the Parent entity) and its subsidiary (together the Consolidated entity) which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, the National Executive (being the committee of management) statement and the subsection 255(2A) report.

In our opinion the accompanying financial report presents fairly, in all material aspects, the financial position of the Consolidated entity as at 30 June 2022, and its financial performance and its cash flows for the year ended on that date in accordance with:

- (a) the Australian Accounting Standards; and
- (b) 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).

We declare that management's use of the going concern basis of accounting in the preparation of the Consolidated entity's financial report is appropriate.

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 Consolidated entity 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.

Information Other than the Financial Report and Auditor's Report Thereon

The National Executive is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the National Executive for the Financial Report

The National Executive of the Union is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the National Executive determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the National Executive is responsible for assessing the Consolidated entity'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 the National Executive either intend to liquidate the reporting unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is 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 consolidated entity'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 the Consolidated entity 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 the National Executive 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
Chartered Accountants



M L Port
Partner

21 December 2022, Melbourne

Registration number (as registered by the RO Commissioner under the RO Act): AA2020/10