



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7882
Fax: (03) 9655 0410
Email: sarah.billing@air.gov.au

Professor K O Cox
President
Australian Higher Education Industrial Association

By email: aheia@aheia.edu.au

Dear Professor Cox,

Re: Financial reports for the year ended 31 December 2007- FR2007/625

I acknowledge receipt of your email and attached amended auditor's report as requested in the correspondence of 18 June 2008.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of these comments for this financial year.

General Purpose Financial Report (GPFR) – Disclosure of Expenditure

When preparing a GPFR, section 253(2) of the RAO Schedule requires a reporting unit to provide information that is specified in the Industrial Registrar's Reporting Guidelines. In particular, Guideline 11 sets out in detail those items of expense that must be disclosed by a reporting unit either in the notes to, or on the face of, a financial statement. Included are such items as:

- Fees and/or allowances paid for attendance at conferences (11(i));
- Conference and meeting expenses (11(k)).

I note that in your Income Statement you disclose "conference expense". On the face of the accounts, expenses incurred under this banner may have arisen in relation to any of the annual general meeting, extraordinary general meeting, and the other meetings that have taken place during the financial year, for example, ordinary meetings of the Executive Committee. Should that be the case, the nature of the expenditure should be clearly apparent to your members in future financial years' statements. This could be achieved by disclosing the expenses in accordance with the reporting guideline items referred to above.

Timescale Requirements

As you are aware, an organisation is required under the RAO Schedule to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the Australian Industrial Relations Commission [website](#). In particular, I draw your attention to [fact sheet 08](#) which explains the timeline requirements, and [fact sheet 09](#) which sets out the timeline requirements in diagrammatical form.

Provide reports to members 21 days before general meeting

The RAO Schedule sets out a particular chronological order in which the financial documents must be prepared, provided to members and presented to a meeting.

It is noted that the lodged financial reports did not comply fully with these requirements as they were not provided to members at least 21 days before being presented to a general meeting – see section 265(5)(a) of the RAO Schedule. In future financial years please ensure that the 21 day time frame is complied with.

Operating Report

Number of employees

I refer to the previous letter sent to you concerning, amongst other things, the omission in the operating report of the number of employees of the Australian Higher Education Industrial Association. I note you have provided this missing information in the email dated 8 July 2008. In future, as stipulated by regulation 159(b) of the RAO Regulations, the number of persons employed at the Australian Higher Education Industrial Association will need to be provided in the Operating Report.

Should you wish to discuss the matters raised in this letter, I can be contacted on (03) 8661 7882 or by email sarah.billing@air.gov.au.

Yours sincerely



Sarah Billing

17 July 2008

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION

Report on the financial report

We have audited the accompanying financial report of the Australian Higher Education Industrial Association ('the Association'), which comprises the balance sheet as at 31 December 2007, the operating statement, statement of recognised income and expenses, cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Executive Committee declaration.

Executive Committee's Responsibility for the Financial Report

The Executive Committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporation Act (Vic) 1981* and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the *Workplace Relation Act 1996 (Cth)*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Committee, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by the Executive Committee or management.

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

HLB Mann Judd (VIC Partnership)

Level 1 160 Queen Street Melbourne VIC 3000 | GPO Box 2850 Melbourne VIC 3001 | DX 154 Melbourne | Tel: +61 (0)3 9606 3888 | Fax: +61 (0)3 9606 3800

Email: mailbox@hlbvic.com.au | Website: www.hlbvic.com.au

Liability limited by a scheme approved under Professional Standards Legislation

Independence

In conducting our audit, we have complied with the applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996

HLB Mann Judd
HLB MANN JUDD



MARK PETERS
Partner

31 March 2008
Melbourne

CPA Australia – Member no: 1241407
Public Practice Certificate holder



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7882
Fax: (03) 9655 0410
Email: michelle.baldini@air.gov.au

Professor K O Cox
President
Australian Higher Education Industrial Association

by email: aheia@aheia.edu.au

Dear Professor Cox

Re: Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)
Financial reports for year ended 31 December 2007 - FR2007/625

I acknowledge receipt of the financial reports of Australian Higher Education Industrial Association for the year ended 31 December 2007. The documents were lodged in the Industrial Registry on 16 June 2008.

The financial reports have not been filed.

Before I am in a position to file the financial reports, I require you to attend to the following matters:

Auditor's Report

Auditor's Opinion

The term "true and fair view" was used in the superseded legislation. Subsection 257(5) of the RAO Schedule sets out the matters upon which an auditor is required to make an opinion on whether the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and other requirements of the RAO Schedule. The following wording in the auditor's opinion would satisfy the requirements:

"In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996".

Auditor's Qualifications

The Auditor's Report should be amended so that it provides details of the Auditor's qualifications to confirm he or she is an 'approved auditor' under section 256 of the RAO Schedule and Regulation 4 of the RAO Regulations.

Regulation 4 defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants *and* holds a current Public Practice Certificate. It is our preference that these qualifications are noted on the Auditor's Report.

References to Schedule 1B

The Auditor's Report contains references to Schedule 1B of the *Workplace Relations Act 1996*. Such references should now be to Schedule 1 or the RAO Schedule.

Operating Report

Number of employees

Regulation 159(b) of the RAO Regulations requires the operating report to provide:

"the number of persons that were, at the end of the financial year to which the report relates, employees of the reporting unit, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis"

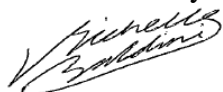
I note that the number of employees is not presently listed in your Operating Report. Please provide the Registry with the number of employees at the end of the 2007 financial year.

Accordingly, in order to secure compliance with the organisation's obligations under the RAO Schedule, I require you to:

- Provide the Registry with an amended Auditor's Report; and
- Provide the Registry with advice regarding the number of employees at the end of the 2007 financial year.

Should you wish to discuss the matters raised in this letter, I can be contacted on (03) 8661 7882 or by email at michelle.baldini@air.gov.au.

Yours sincerely



Michelle Baldini
Statutory Services Branch

18 June 2008

Workplace Relations Act 1996

Section 268 (RAO Schedule)

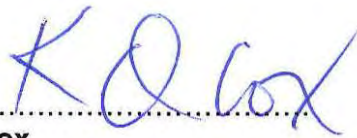
AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION

CERTIFICATE

I, **Professor Kerry O Cox**, President of the Executive Committee of the **Australian Higher Education Industrial Association**, an organisation of employers registered under the Act, declare and certify as follows:

- 1) Pursuant to the Rules of the organisation I have been elected to the office of President of the organization, an office as defined in section 9(1)(b) of the RAO Schedule to the Act.
- 2) For the purposes of Chapter 8 of the RAO Schedule the organisation is a single reporting unit.
- 3) I certify that the documents attached hereto are copies of the documents comprising the full report of the organisation in relation to the financial year concluding on 31 December 2007.
- 4) I further certify that copies of the documents referred to in paragraph 3 were provided, free of charge, to each member of the organization on 22 May 2008 and, in accordance with section 266 of the RAO Schedule, presented at the Extraordinary General Meeting of the members of the organisation held on 11 June 2008.

Declared in Sydney in the state of New South Wales this 11 day of June 2008 by:



.....
Professor Kerry O Cox



AHEIA
Australian
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President's Message



During 2007 AHEIA continued to provide excellent services to member institutions on matters concerned with workplace relations. These took the form of pro-actively seeking new ways forward to help member institutions in Australia to continue to be relevant and competitive in the global knowledge economy and of advice and service provision for member institutions to facilitate the resolution of disputes.

With the election of the federal Labor Government in November 2007 there will be significant opportunities for AHEIA to contribute to the important work of member institutions of the Association.

I thank our Executive Director, Ian Argall, and his colleagues for their ongoing insights, energy and unstinting commitment.

A handwritten signature in black ink that reads "K O Cox". The signature is written in a cursive, slightly stylized font.

Professor Kerry O Cox

Executive Director's Report



In 2007 AHEIA expanded the range of services it provides to its members.

During the year, AHEIA commenced a series of activities designed to help member institutions prepare for enterprise bargaining scheduled to start in 2008, including the holding of a national enterprise bargaining forum, an enterprise bargaining training workshop and the establishment of working parties on key employment issues.

AHEIA has also enhanced its learning and development function, with an initial emphasis on the legislative changes arising from the election of the federal Labor government.

A handwritten signature in black ink that reads "Ian Argall". The signature is written in a cursive, stylized font.

Ian Argall

AHEIA's major priority has been to prepare its members for enterprise bargaining which commences in 2008.

Industrial Relations in the Higher Education Sector

During 2007 AHEIA adopted as a major priority the preparation of its member institutions for enterprise bargaining scheduled to commence in 2008. AHEIA's aim in doing this has been to help those members maintain flexibilities they have achieved in previous bargaining rounds and to meet their new needs in an increasingly competitive environment. This has involved both education and organisation in relation to enterprise bargaining and the positioning of AHEIA to influence the details of any changed industrial relations legislation.

Activities undertaken to support member universities in enterprise bargaining have included:

- Establishment of a database of higher education decisions in private arbitration (consistent with decision of the 2006 Annual General Meeting)
- Publication of all university collective agreements on CD
- Organisation of Enterprise National Bargaining Forum on 3 August 2007
- Holding an enterprise bargaining training workshop on 1 November 2007

AHEIA has also established consultative working parties with a view to identifying university interests and recommending "best practice" in relation to four aspects of agreements:

- Consultation and change
- Employment types
- Remuneration flexibility
- Disciplinary processes

This exercise will also enable AHEIA to publicly articulate the interests of its members on these key issues as bargaining gets underway. These messages can then be adopted by member universities for communication with their own staff. It is anticipated that this public advocacy role for AHEIA – that is, publicly debating the unions on key industrial relations issues - will become increasingly important in the future.

AHEIA embarked on a new training and development program for members focussing on employment law and industrial regulations...

AHEIA began liaising with the incoming Labor Government over its planned changes to industrial relations legislation by meeting with the then Shadow Minister for Industrial Relations, Julia Gillard MP, and articulating a number of immediate priorities for the sector. AHEIA is positioning itself to influence both the interim and final forms of new industrial relations legislation.

In addition, AHEIA has embarked on an expansion of the services it offers to its members beyond those strictly related to industrial relations. With the agreement of the Executive Committee in March 2007, AHEIA is planning to offer additional services to members in the following areas:

- advice and representation in equal opportunity and anti-discrimination matters
- commissioned research into key employment issues
- the development of a series of “think tanks” on relevant topics with broader HR implications

AHEIA has also begun expanding its training and development services to member institutions in the areas of both employment law generally and industrial regulation specific to the higher education sector. Inevitably, there will be an initial emphasis on the new industrial relations regulatory regime to be introduced by the Labor Government. AHEIA has already conducted a number of information sessions on Labor’s policies, and will expand these sessions as details of the new legislation emerge.

AHEIA’s training and development activities also provide an opportunity for the Association to demonstrate its expertise in industrial relations and employment matters and to encourage member institutions to use that expertise.

Beyond these immediate training and development initiatives, it is proposed that AHEIA expand this area of its activities into areas of broader HR implications as preferred positions are arrived at through consultative processes such as the “think-tanks” referred to above.

AHEIA is in the process of conducting a survey of institutional Training and Development needs in relevant areas, including the training of managers, and a survey of the value of its existing publications. Initial discussions have been held with Universities Australia about how AHEIA can contribute its expertise to management training conducted by that organisation.

**OPERATING
REPORT**

for the financial year
ended 31/12/07

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Principal Activities

AHEIA's principal activities during the reporting period involved assisting members by providing industrial relations information, advice and representation both on an industry basis and individually, as well as advocacy to Government and media comment on matters affecting industrial relations in the higher education sector. There was no significant change in these activities during the reporting period.

National Activities

AHEIA Conference 2007

AHEIA's Annual Conference – "Next move?" - was held from 14 – 16 March 2007 in Fremantle, Western Australia. Speakers included the Minister for Education, Science and Training, The Hon. Julie Bishop MP and Brendan O'Connor MP the Shadow Parliamentary Secretary for Industrial Relations who presented information on the Government and Opposition policies in an election year.

Professor Greg Craven from Curtin University of Technology gave a lucid explanation of the significance of the High Court "WorkChoices" challenge.

Tony Strike, HR Director at the University of Southampton in the United Kingdom, provided an international perspective with his description of the implementation of pay modernisation at his university.

Meetings with members

Regular meetings were held with human resources and industrial relations staff of member institutions on a State basis, to facilitate information sharing and networking.

During 2007, AHEIA industrial staff made formal presentations to members' meetings on the proposed industrial relations policies of the Australian Labor Party in the lead up to the federal election.



Ian Argall Executive Director, AHEIA with international guest speaker Tony Strike HR Director, University of Southampton, UK

The dates and locations of the various State-based meetings held with members during 2007 are set out below:

2007	NSW / ACT	Victoria	Queensland	Western Australia	South Australia
February	9 February, AHEIA Sydney	8 February, Swinburne University			22 February, University of South Australia
March					
April	13 April, AHEIA Sydney	19 April, University of Melbourne	26 & 27 April, University of Southern Qld	3 April, Edith Cowan University	26 April, University of South Australia
May	25 May, AHEIA Sydney			15 May Edith Cowan University	
June	29 June, AHEIA Sydney	14 June, Victoria University	14 & 15 June, Griffith University	26 June, Edith Cowan University	28 June, University of South Australia
July					
August	24 August, AHEIA Sydney	9 August, RMIT University		7 August, Edith Cowan University	30 August, University of South Australia
September			13 & 14 September, James Cook University	18 September, Edith Cowan University	
October	26 October, AHEIA Sydney	11 October, University of Ballarat		30 October, Edith Cowan University	
November			22 & 23 November, University of the Sunshine Coast		8 November, University of South Australia
December	7 December, AHEIA Sydney	13 December, Monash University			

AHEIA's industrial staff represent members before industrial tribunals and university committees.

Publications

A major part of AHEIA's services to its members is the provision of information and advice through a range of regular publications.

in brief (46 issues published in 2007) is a frequently-published summary of caselaw and legislative changes relevant to industrial relations in the higher education sector.

in confidence (12 issues published in 2007) is the name given to internal memoranda from AHEIA to its members either containing confidential advice or matters of strategic importance requiring the attention of Vice-Chancellors or other senior university officers.

in sight (16 issues published in 2007) memoranda are internal communications from AHEIA to its members containing less sensitive communications directed at human resources and industrial relations managers in member universities.

in touch (1 issue published in 2007) is a magazine designed to keep human resources and industrial relations staff of AHEIA member universities around Australia in communication with each other. University staff are encouraged to contribute news from their own institutions.

Institutional Activities

AHEIA provides advice and representation to members on an institutional basis as required and requested. Written or telephone advice is provided in relation to the full spectrum of industrial relations matters. AHEIA industrial officers represent members in matters before Federal and State industrial tribunals, often involving termination of employment matters or disputes over certified agreements. AHEIA officers also act as advocates for universities on internal committees set up to investigate misconduct allegations, or to review decisions on matters such as redundancy, poor performance or probation.

Outcomes in matters involving individual institutions which set a precedent or otherwise have a sector-wide significance are shared with the membership as a whole, through AHEIA publications and state-based meetings.

Changes in Financial Affairs

There were no significant changes in AHEIA's financial affairs during 2007. The operating result for the year ended 31 December 2007 was a surplus of \$200,083.

Manner of Resignation

Rule 11 of AHEIA's rules provides for the process of resignations, as follows:

1. A Member may resign from the Association by written notice addressed and delivered to the Executive Director.
2. Except as provided for in sub-Rule 11(3), a written notice of resignation shall take effect:
 - a) at the end of two weeks after the notice is received by the Association; or
 - b) on the day specified in the notice; whichever is later.
3. Where a Member ceases to be eligible to become a Member of the Association, a written notice of resignation addressed and delivered to the Executive Director shall take effect:
 - a) on the day on which the notice is received by the Association; or
 - b) 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.
4. Upon the resignation becoming effective the Member shall cease to have any interest in or claim upon the funds of the Association.
5. A Member who ceases to exist as a separate legal entity shall thereupon be deemed to have resigned.
6. Any dues payable but not paid by a former Member of the Association, in relation to a period before the Member's resignation from the Association took effect, may be sued for and recovered in the name of the Association, in a court of competent jurisdiction, as a debt due to the Association.
7. A notice delivered to the Executive Director pursuant to sub-Rule 11(1) shall be taken to have been received by the Association when it was delivered.
8. A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with sub-Rule 11(1).
9. A resignation from membership of the Association is valid even if it is not effected in accordance with this Rule if the Member is informed in writing by or on behalf of the Association that the resignation has been accepted.

Superannuation Trustees and Directors

There is no superannuation entity or exempt public sector superannuation scheme which requires that any trustee or member be an officer or member of AHEIA.

Membership

AHEIA welcomes
its newest
member,
Batchelor Institute
of Indigenous
Tertiary Education.

AHEIA membership increased by one institution during 2007 to 31, with the addition of the Batchelor Institute of Indigenous Tertiary Education. Victorian College of the Arts ceased to be a member of AHEIA on 1 January 2007 with its amalgamation with the University of Melbourne. AHEIA's membership as at 31 December 2007 comprised the following institutions:

Australian Catholic University	Australian Maritime College
Batchelor Institute of Indigenous Tertiary Education	Central Queensland University
Charles Darwin University	Charles Sturt University
Curtin University of Technology	Deakin University
Edith Cowan University	Flinders University of South Australia
Griffith University	James Cook University
La Trobe University	Macquarie University
Murdoch University	Queensland University of Technology
RMIT University	Southern Cross University
Swinburne University of Technology	University of Ballarat
University of Canberra	University of New England
University of Newcastle	University of South Australia
University of Southern Queensland	University of the Sunshine Coast
University of Tasmania	University of Technology, Sydney
University of Western Sydney	University of Wollongong
Victoria University	

Meetings of Members

An Extraordinary General Meeting of AHEIA was held in Sydney on 21 May 2007. The Annual General Meeting of the Association was held in Sydney on 13 November 2007.

Employees

During 2007, AHEIA filled a vacant position with a new role – that of Program Manager, Learning and Development. This represents a commitment of AHEIA to expanding its services to member institutions to include a greater emphasis on the development of both their human resources and line management staff. AHEIA was also able to retain the experience of its previous office manager when she returned to work on a part-time basis following a period of maternity leave.



Gerard Grant
Program Manager
Learning and Development

The Executive Committee

Membership

During 2007, the membership of the AHEIA Executive Committee has been as follows:



President

Professor Kerry O Cox

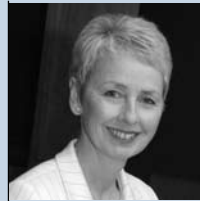
Vice-Chancellor
Edith Cowan University
7 November 2005 to
13 November 2007
13 November 2007 to
November 2009



Vice-President

Professor Ian Young

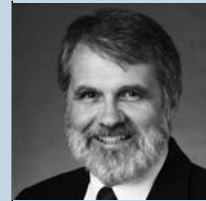
Vice-Chancellor
Swinburne University of
Technology
7 November 2005 to
13 November 2007



Vice-President

Professor Jeanette Hackett

Vice-Chancellor
Curtin University of
Technology
13 November 2007 to
November 2009



Member

Professor Gerry Griffin

Pro Vice-Chancellor
University of South Australia
13 November 2006 to
November 2008



Member

Mr Colin McAndrew

Pro Vice-Chancellor
Griffith University
13 November 2006 to
November 2008



Member

Dr Sue Gould

Deputy Vice-Chancellor
(Services)
University of Newcastle
13 November 2006 to
November 2008



Member

Professor Ross Milbourne

Vice-Chancellor
University of Technology,
Sydney
10 December 2007 to
November 2008



Member

Professor Jeanette Hackett

Vice-Chancellor
Curtin University of
Technology
13 November 2006 to
13 November 2007

The Executive Committee is responsible to the members of AHEIA for all matters to do with the Association's operations.

AHEIA Executive Committee Members and Elections

The current terms of the President and Vice-President of the Executive Committee were due to end at the Annual General Meeting on 13 November 2007. This resulted in the election of a new Vice-President, Professor Jeanette Hackett, Curtin University of Technology, who then vacated her position as member. No nomination for President was received and Professor Kerry Cox, Edith Cowan University, was subsequently appointed as an interim President pending a further election to fill this position. Professor Gerry Griffin of the University of South Australia, remained a member of the Executive Committee throughout 2007 along with Mr Colin McAndrew of Griffith University and Dr Sue Gould of the University of Newcastle. Professor Ross Milbourne of the University of Technology, Sydney was appointed to the position of member vacated by Professor Hackett in December 2007.

Meetings – Executive Committee

Since the 2006 Annual General Meeting, the Executive Committee of the Association has met as follows:

Date	Time	Venue
Friday 15 December 2006	1.00pm	AHEIA Melbourne Office
Monday 19 February	1.00pm	AHEIA Melbourne Office
Monday 19 March	1.00 pm	AHEIA Melbourne Office
Monday 23 April	1.00 pm	AHEIA Melbourne Office
AHEIA EGM Monday 21 May	4.00pm	(in conj. w/AVCC Plenary AGM on 22 May) Sydney
Monday 23 July	1.00 pm	AHEIA Melbourne Office
Monday 20 August	1.00 pm	AHEIA Melbourne Office
Monday 8 October	1.00pm	AHEIA Melbourne Office
AHEIA AGM Tuesday 13 November	3.30pm	(in conj. w/Universities Australia Plenary on 13 Nov) Sydney
Monday 10 December	1.00 pm	AHEIA Melbourne Office



Professor Kerry O. Cox

Dated this 31st day of March 2008

FINANCIAL REPORT

for the financial year
ended 31/12/07

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Australian
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Committee's Report



Australian
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AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION COMMITTEE OF MANAGEMENT STATEMENT

On the 31 March 2008 the Executive Committee of the Australian Higher Education Industrial Association, being the committee of management of the organisation, adopted the following resolution in relation to the general purpose financial report for the Association for the financial year ended 31 December 2007.

1. The executive committee, having been advised accordingly by the executive director in a letter dated 26 March 2008, declares in relation to the general purpose financial report that in its opinion:
 - (a) the financial statements and notes comply with the Australian Accounting Standards;
 - (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
 - (c) the financial statements and notes give a true and fair view of the income statement, balance sheet and cash flows of the reporting unit for the financial year to which they relate;
 - (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
 - (e) during the financial year to which the general purpose financial report relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the reporting unit have been managed in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the organisation has consisted of a single report unit; and
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duty made under Section 272 of the RAO schedule has been furnished to the member or Registrar; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under Section 273 of the RAO Schedule.
 - (f) the organisation has not undertaken any recovery of wages activity.

DESIGNATED OFFICER: Kerry O Cox
TITLE OF OFFICE: President

SIGNATURE: _____
DATE: _____

K O Cox
31/3/08

HEAD OFFICE
Level 2,
303 Collins Street
Melbourne
Victoria 3000
GPO Box 775
Melbourne
Victoria 3001
Tel: 03 9614 5550
Fax: 03 9614 3125
Suite 1
210 Clarence Street
Sydney NSW 2000
Tel: 02 9283 7880
Fax: 02 9283 0720
www.aheia.edu.au

Income Statement

for the year ended 31 December 2007

	Notes	2007 \$	2006 \$
Revenue from ordinary activities	3	1,581,406	1,698,346
Employee benefits expense		(817,048)	(819,584)
Depreciation and amortisation expenses	4	(31,482)	(15,450)
Lease expenses		(22,673)	(15,533)
Travelling expense		(73,841)	(72,636)
Communication expense		(43,886)	(38,832)
Occupancy expense		(113,044)	(111,104)
Printing and stationary expense		(11,515)	(17,206)
Professional fees and consulting expense		(74,267)	(32,911)
Legal expense		(2,275)	(12,539)
Information technology expense		(11,096)	(15,019)
Insurance expense		(15,291)	(20,653)
Conference expense		(100,501)	(27,977)
Motor vehicle expense		(10,991)	-
Other expenses from ordinary activities		(53,413)	(93,992)
Net surplus for the period		200,083	404,910
Net surplus attributable to members of the Association		200,083	404,910

The accompanying notes form part of these financial statements.

Balance Sheet

as at 31 December 2007

	Notes	2007 \$	2006 \$
CURRENT ASSETS			
Cash and cash equivalents	5	584,806	2,045,687
Trade and other receivables	6	14,448	12,650
Available for sale financial assets	8	1,352,458	-
Other	7	67,769	44,526
TOTAL CURRENT ASSETS		2,019,481	2,102,863
NON-CURRENT ASSETS			
Property, plant and equipment	9	67,310	98,791
TOTAL NON-CURRENT ASSETS		67,310	98,791
TOTAL ASSETS		2,086,791	2,201,654
CURRENT LIABILITIES			
Trade and other payables	10	61,812	384,591
Employee Benefits	11	133,046	129,233
TOTAL CURRENT LIABILITIES		194,858	513,824
NON-CURRENT LIABILITIES			
Employee benefits	11	25,983	21,965
TOTAL NON-CURRENT LIABILITIES		25,983	21,965
TOTAL LIABILITIES		220,841	535,789
NET ASSETS		1,865,950	1,665,865
EQUITY			
Reserves	12	725,000	725,000
Accumulated surplus	13	1,140,948	940,865
TOTAL EQUITY		1,865,948	1,665,865

The accompanying notes form part of these financial statements.

Statement of Recognised Income and Expenses

for the year ended 31 December 2007

	Notes	2007 \$	2006 \$
Net surplus for the year		200,083	404,910
Total recognised income and expense for the year		200,083	404,910

The accompanying notes form part of these financial statements.

Cash Flow Statement

for the year ended 31 December 2007

	Notes	2007 \$	2006 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members		1,659,796	1,780,686
Payments to suppliers and employees		(1,815,700)	(1,199,249)
Interest received		47,459	84,408
Net cash provided by/(used in) operating activities	15 (b)	(108,445)	665,847
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		-	891,395
Payment for property, plant and equipment		21	(9,892)
Payment for investments		(1,352,458)	-
Net cash provided by/(used in) investing activities		(1,352,437)	881,503
Net increase/(decrease) in cash held		(1,460,882)	1,547,350
Cash at beginning of financial year		2,045,687	498,337
Cash at end of financial year	15 (a)	584,806	2,045,687

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

for the year ended 31 December 2007

Note 1: Association Information

The financial report of Australian Higher Education Industrial Association for the year ended 31 December 2007 was authorised for issue in accordance with a resolution of the Executive Committee on the 31st March 2008.

The Australian Higher Education Industrial Association is an incorporated association.

Note 2: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act 1981 (Vic) and the Workplace Relations Act 1996 (Cth).

The financial report is for the entity Australian Higher Education Industrial Association as an individual entity. Australian Higher Education Industrial Association is an association incorporated in Victoria under the Associations Incorporation Act 1981 (Vic) and is registered under the Workplace Relations Act 1996 (Cth).

The financial report of the Australian Higher Education Industrial Association as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

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

(a) Income Tax

No provision for income tax has been raised as the association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Property, Plant and Equipment

Each class of property plant and equipment is carried at cost less any accumulated depreciation.

Plant and Equipment

Plant and equipment are measured on the cost basis.

Depreciation

Depreciation is calculated using the straight line method. Commencing from the time the asset was held ready for use.

The depreciation rates and useful lives used for each class of depreciable assets are:

Class of fixed asset	Depreciation rates/useful lives	Depreciation basis
Office Equipment	25 %	Straight Line
Furniture Fixtures and Fittings	33 %	Straight Line
Computer Equipment	20 %	Straight Line

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the asset or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the income statement.

Notes to the Financial Statements

for the year ended 31 December 2007

(c) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis.

(d) Financial Assets

All investments are initially recognised at cost, being the fair value of the consideration given and included acquisition charges associated with the investment.

The carrying amount of investments is reviewed annually by the Executive Committee to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

(e) Employee Benefits

Provision is made for the association's liability for employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Association in respect of services provided by employees up to reporting date.

Contributions to defined contribution superannuation plans are expenses when incurred. Superannuation contributions are made to plans based on the relevant rates of each plan.

(f) Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank, cash in hand, and short term deposits with an original maturity of three months or less.

(g) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Comparative Figures

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

Notes to the Financial Statements

for the year ended 31 December 2007

	Notes	2007 \$	2006 \$
Note 3: Revenue			
Operating activities			
- membership subscription		1,446,604	1,419,685
- interest	3(a)	47,459	84,408
- investment income		26,228	117,887
- other revenue		61,115	76,366
		1,581,406	1,698,346
(a) Interest from:			
- other persons		47,459	84,408
Note 4: Profit from Ordinary Activities			
Profit (losses) from ordinary activities before income tax expenses (income tax revenue) has been determined after:			
(a) Expenses			
Borrowing costs:			
- other persons		-	195
Depreciation of non-current assets			
- Plant and equipment		31,482	15,450
Remuneration of the auditors for			
- audit or review services		6,350	5,480
Rental expense on operating leases			
- minimum lease payments		22,673	15,533
Rental expense on operating leases		22,673	15,533
Note 5: Cash and Cash Equivalents			
Cash on hand		602	810
Cash at bank		514,204	1,734,116
Deposits at call		70,000	310,761
		584,806	2,045,687
Note 6: Trade and other Receivables			
CURRENT			
Trade receivables		(607)	981
Other debtors		15,055	11,669
		14,448	12,650

The average credit period is 30 days (2006:30 days). No interest is charged on outstanding amounts.

Notes to the Financial Statements

for the year ended 31 December 2007

	Notes	2007 \$	2006 \$
Note 7: Other Assets			
CURRENT			
Prepayments		41,353	18,111
Deposits		26,416	26,415
		67,769	44,526
Note 8: Financial Assets			
CURRENT			
Other current investments		1,352,458	-
		1,352,458	-
Note 9: Property, Plant and Equipment			
PLANT AND EQUIPMENT			
(a) Plant & equipment			
At cost		481,157	481,179
Less accumulated depreciation		(413,847)	(382,388)
		67,310	98,791
Total plant and equipment		67,310	98,791
Total property, plant and equipment		67,310	98,791
(a) Movements in Carrying Amounts			
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year			
	Plant & equipment 2007	Plant & equipment 2006	
	\$	\$	
Balance at the beginning of the year	98,791	104,346	
Additions	-	9,895	
Depreciation expense	(31,482)	(15,450)	
Carrying amount at end of year	67,310	98,791	
Note 10: Trade and other Payables			
CURRENT			
Unsecured liabilities			
Trade payables		5,831	10,939
Sundry payables and accruals		55,981	373,652
		61,812	384,591

The average credit period is 30 days (2006:30 days). No interest is charged on outstanding amounts.

Notes to the Financial Statements

for the year ended 31 December 2007

	Notes	2007 \$	2006 \$
Note 11: Provisions			
CURRENT			
Employee benefits	11(a)	133,046	129,233
NON-CURRENT			
Employee benefits	11(a)	25,983	21,965
(a) Aggregate employee benefits liability		159,029	151,198

Note 12: Reserves

Legal services reserve	(a)	475,000	475,000
Major contingency reserve	(b)	250,000	250,000
		725,000	725,000

(a) Legal services reserve

The legal services reserve was established in prior years to record amounts set aside to ensure that any unexpected legal costs of a material nature can be paid

(b) Major contingency reserve

The major contingency reserve was established in prior years to record amounts set aside to ensure that any unexpected costs of a material nature can be paid.

Note 13: Accumulated Surplus

Accumulated surplus at the beginning of the financial year		940,865	535,955
Net surplus / (loss) attributable to members of the entity		200,083	404,910
Accumulated surplus at the end of the financial year		1,140,948	940,865

Note 14: Capital and Leasing Commitments

(a) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable

- not later than 12 months		156,372	154,608
- between 12 months and 5 years		177,016	292,026
		333,388	446,634

Rental leases for the following properties:

- Suite 1 & 2, 210 Clarence Street, Sydney
- Level 2, 303 Collins Street, Melbourne
- 1 parking bay at 303 Collins Street, Melbourne
- Melbourne photocopier lease
- Operating car lease for Mr. Ian Argall
- Melbourne phone system lease

Notes to the Financial Statements

for the year ended 31 December 2007

	Notes	2007 \$	2006 \$
Note 15: Cash Flow Information			
(a) Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the balance sheet as follows:			
Cash on hand		602	810
Cash at bank		514,204	1,734,116
At call deposits with financial institutions		70,000	310,761
		584,806	2,045,687
(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax			
Surplus from ordinary activities after income tax		200,083	404,911
Non-cash flows in profit from ordinary activities			
Depreciation		31,482	15,450
Changes in assets and liabilities			
(Increase)/decrease in receivables		1,588	(981)
(Increase)/decrease in other assets		(26,629)	5,850
Increase/(decrease) in payables		(322,800)	265,822
Increase/(decrease) in provisions		7,831	(25,205)
Cash flows from operations		(108,445)	665,847

Note 16: Financial Instruments

(a) Interest Rate Risk

The association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non Interest Bearing		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash	6.21	3.65	514,204	1,734,116	602	810	514,806	1,734,926
Cash Investments	6.90	3.90	70,000	310,761	-	-	70,000	310,761
Receivables	-	-	1,352,458	-	14,448	12,650	1,366,906	12,650
Total Financial Assets			1,936,662	2,044,877	15,050	13,460	1,951,712	2,058,337
Financial Liabilities:								
Trade and sundry creditors	-	-	-	-	61,812	384,591	61,812	384,591
Total Financial Liabilities			-	-	61,812	384,591	61,812	384,591

Notes to the Financial Statements

for the year ended 31 December 2007

Note 17: Information to be Provided To Members of the Registrar

- 272(1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- 272(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- 272(3) A reporting unit must comply with an application made under subsection (1).

Note 18: Association Details

The principal place of business of the association is:

Australian Higher Education Industrial Association

Level 2

303 Collins Street

Melbourne Victoria 3000

Statement by Members of the Committee

AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION
STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the committee the financial report as set out on pages 2 to 13:

1. Presents a true and fair view of the financial position of Australian Higher Education Industrial Association as at 31 December 2007 and its performance for the financial year ended on that date in accordance with the Australian Accounting Standards and other mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Australian Higher Education Industrial Association will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the Committee by:



Professor Kerry Cox



Professor Jeanette Hackett

Dated this 31 day of March 20 08

Independent Audit Report



Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION

Report on the financial report

We have audited the accompanying financial report of the Australian Higher Education Industrial Association ('the Association'), which comprises the balance sheet as at 31 December 2007, the operating statement, statement of recognised income and expenses, cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Executive Committee declaration.

Executive Committee's Responsibility for the Financial Report

The Executive Committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporation Act (Vic) 1981* and the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the *Workplace Relation Act 1996 (Cth)*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Committee, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by the Executive Committee or management.

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

Level 1 160 Queen Street Melbourne VIC 3000 GPO Box 2850 Melbourne VIC 3001 DX 154 Melbourne Tel: +61 3 9606 3888 Fax: +61 3 9606 3800
Email: mailbox@hlbvic.com.au Website: www.hlbvic.com.au

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Accountants | Business and Financial Advisers

Independence

In conducting our audit, we have complied with the applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of the Australian Higher Education Industrial Association is in accordance with the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996 (Cth) and the *Associations Incorporation Act (Vic) 1981*, including:

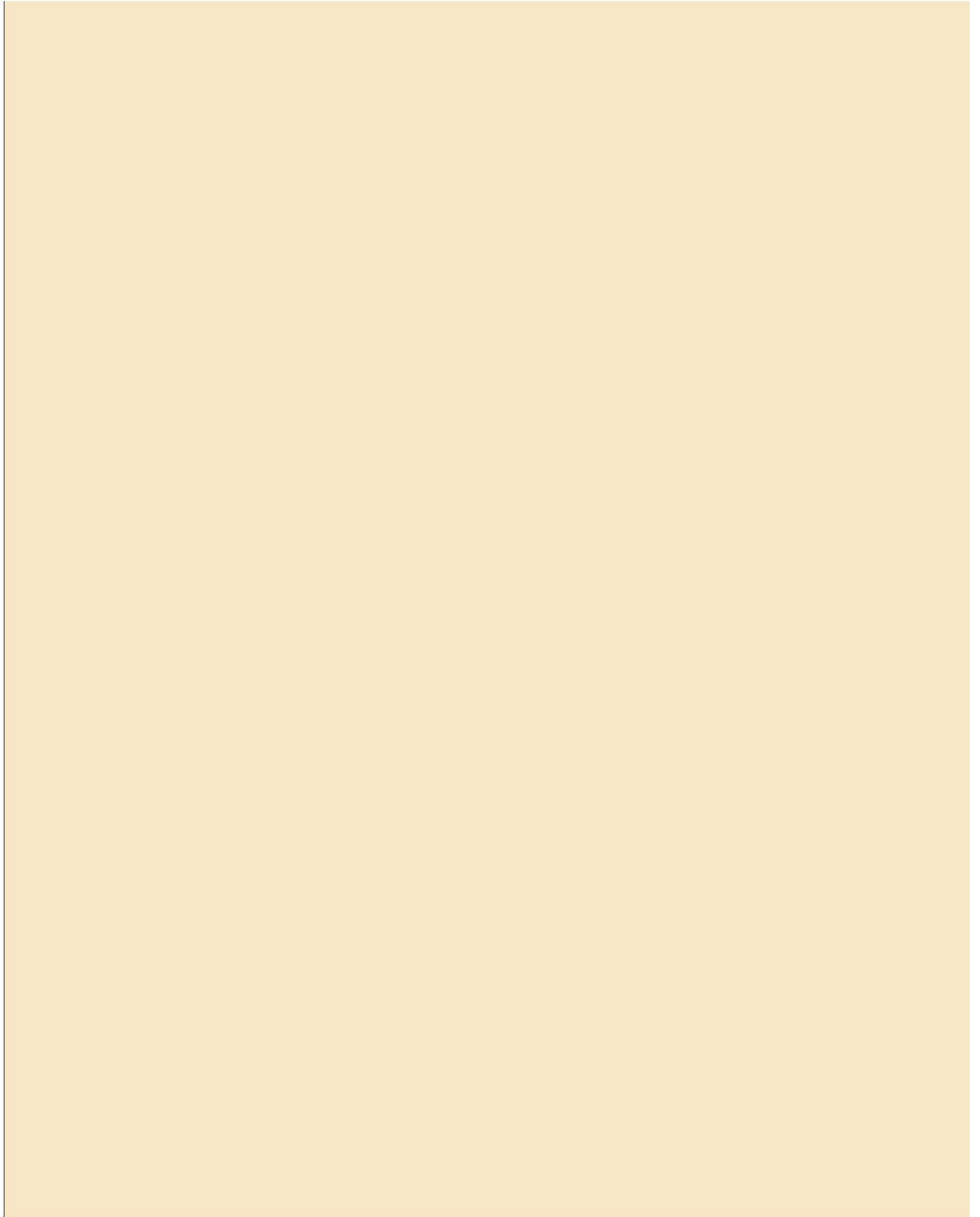
- (i) giving a true and fair view of the Association's financial position as at 31 December 2007 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and other mandatory financial reporting requirements in Australia.

HLB Mann Judd
HLB MANN JUDD

A handwritten signature in blue ink, appearing to read 'Mark Peters', written over a horizontal line.

MARK PETERS
Partner

31 March 2008
Melbourne



Melbourne Office

Level 2, 303 Collins Street

Melbourne Victoria 3000

Telephone (03) 9614 5550

Facsimile (03) 9614 3125

Sydney Office

Suite 1, Level 1, 210 Clarence Street

Sydney New South Wales 2000

Telephone (02) 9283 7880

Facsimile (02) 9283 0720

Email: aheia@aheia.edu.au

Website: aheia.edu.au

