



4 August 2015

Mr Andrew Vann
President
Australian Higher Education Industrial Association
aheia@aheia.edu.au

CC: Rebecca Power, Office Manager, AHEIA, Rebecca.power@aheia.edu.au
CC: Robert Wernli, DFK Collins Chartered Accountants, administration@dfkcollins.com.au

Dear Mr Vann,

**Australian Higher Education Industrial Association
Financial Report for the year ended 31 December 2014 - [FR2014/415]**

I acknowledge receipt of the financial report of the Australian Higher Education Industrial Association. The documents were lodged with the Fair Work Commission on 22 May 2015. Further information was received by the Commission on 4 August 2015.

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.

Please note that the financial report for the year ending 31 December 2015 may be subject to an advanced compliance review.

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 the report lodged. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

Employee and Officer Expenses

Thank you for the further information breaking down the employee and officer expenses, including the provision of NIL statements. I note that the information supplied had a single figure for Superannuation and Leave and other entitlements.

Please ensure in next year's report that these figures are separated between officers and employees as has been done with the Wages and salaries and Leave provisions. This must be done even if the figure for officers is NIL.

Revenue recognition

The Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 117 and *AASB 118: Revenue* paragraph 35(a) requires that the entity must disclose the measurement basis or bases used in recognising revenue.

The accounting policy for Conference and Sponsorship Income has not been disclosed. This appears to be a material revenue stream. Please ensure that a revenue policy is included in next year's report.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the 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) 8661 7974 or via email at catherine.bebbington@fwc.gov.au.

Yours sincerely



CATHERINE BEBBINGTON

Regulatory Compliance Branch

FAIR WORK COMMISSION

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catherine.bebbington@fwc.gov.au

11 Exhibition Street, Melbourne Victoria 3000

GPO Box 1994, Melbourne Victoria 3001

www.fwc.gov.au



Australian
Higher
Education
Industrial
Association

Ms Catherine Bebbington
Regulatory Compliance Branch
Fair Work Australia
11 Exhibition Street
MELBOURNE VIC 3000

Dear Catherine

I am writing in response to your letter, dated 10 July 2015, relating to lodgement of the Australian Higher Education Industrial Association financial report for the year ended 31 December 2014.

The attached pages to this letter address the matters identified in your letter and the required disclosure.

In all items identified for disclosure, the additional disclosure amounts are for nil value. Where there were applicable values these were properly disclosed in the financial statements.

We appreciate that regardless of the nil values that you have requested us to disclose in your letter, the Act requires the items to be disclosed and in future years we will ensure that this occurs.

If you have any questions in respect of this letter, please do not hesitate to contact us or our auditors, DFK Kidsons. Our audit partner, Robert Wernli, can be contacted directly on (03) 8899 6190 or by email at rob.wernli@dfkkidsons.com.au.

Yours Faithfully,

Professor Andrew Vann
President

Level 6
303 Collins Street
Melbourne
Victoria 3000

Tel: 03 9614 5550
Fax: 03 9614 3125

www.aheia.edu.au

1. Designated Officer's Certificate

Please see attached for a copy of the designated officer's certificate.

2. Key Management Personnel

Note 12B: Key Management Personnel Remuneration for the Reporting Period

The aggregate compensation made to officers and other members of key management personnel of the Association is set out below:

	2014	2013
	\$	\$
Short-term employee benefits (previously disclosed)	363,410	275,641
Post-employment benefits	-	-
Other long term employee benefits	-	-
Termination benefits	-	-
	<hr/> 363,410	<hr/> 275,641

3. Employee Expenses and Provisions

(a) Disclosure of employee expenses to office holders and other employees

Note 4A: Employee expenses

	2014	2013
	\$	\$
Wages and salaries – for employees	1,320,199	1,123,623
Wages and salaries – for office holders	-	-
Superannuation	126,038	104,349
Leave and other entitlements	36,681	40,900
Separation and redundancies	-	-
Other employee expenses	-	-
Total employee expenses	<u>1,482,918</u>	<u>1,268,872</u>

(b) Disclosure of employee provisions to office holders and other employees

Note 8A: Employee Provisions

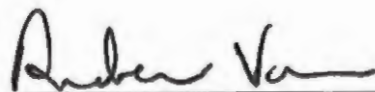
	2014	2013
	\$	\$
Annual leave – for employees	86,346	62,256
Annual leave – for office holders	-	-
Long service leave – for employees	110,989	98,399
Long service leave – for office holders	-	-
Separation and redundancies	-	-
Other employee provisions	-	-
Total employee provisions	<u>197,335</u>	<u>160,655</u>
Current	172,136	138,868
Non Current	25,199	21,787
Total employee provisions	<u>197,335</u>	<u>160,655</u>



Designated Officer's Certificate or other Authorised Officer
Section 268 Fair Work (registered Organisations) Act 2009

I, Professor Andrew Vann, being President of the Australian Higher Education Industrial Association, certify:

- That the documents lodged herewith are copies of the full report, referred to in section 268 of the *Fair Work (registered Organisations) Act 2009*; and
- That the full report was provided to members on 30 March 2015; and
- That the full report was presented to a general meeting of members of the Association on 19 May 2015 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.



Signature

Date: 29/7/15



10 July 2015

Mr Andrew Vann
President
Australian Higher Education Industrial Association
aheia@aheia.edu.au

CC: Rebecca Power, Office Manager, AHEIA, Rebecca.power@aheia.edu.au
CC: Robert Wernli, DFK Collins Chartered Accountants, administration@dfkcollins.com.au

Dear Mr Vann,

**Australian Higher Education Industrial Association
Financial Report for the year ended 31 December 2014 - [FR2014/415]**

I acknowledge receipt of the financial report of the Australian Higher Education Industrial Association. The documents were lodged with the Fair Work Commission on 22 May 2015.

The financial report has not been filed. Further information is required before the report can be filed.

Designated Officer's Certificate

Section 268 requires that the report be lodged with a 'certificate by a prescribed designated officer that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266.' The report was not accompanied by a Designated Officer's Certificate.

Please supply a Designated Officer's Certificate.

Key Management Personnel

Australian Accounting Standard *AASB 124 Related Party Disclosures* paragraph 17 requires the General Purpose Financial Report to disclose within the statements or the notes compensation paid to key management personnel.

This normally includes a listing of the key management personnel for the organisation, the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post employment benefits
- Other long term employee benefits
- Termination benefits

The definition for these categories can be found within accounting standard *AASB 119: Employee Benefits*.

Last year's correspondence drew to the organisation's attention the above information and identified that the organisation did not make all of the required disclosures.

Please provide information for each of the above categories.

Employee Expenses and Provisions

Disclosure of employee expenses to office holders and other employees

The Reporting Guidelines require reporting units to disclose in the Statement of Comprehensive Income or in the notes to the financial statements employee expenses to holders of office (item 16(f)) and employee expenses to other employees (item 16(g)). Item 16(f) and 16(g) of the Reporting Guidelines also requires these expenses to be separately disclosed as follows:

- Wages and salaries;
- Superannuation;
- Leave and other entitlements;
- Separation and redundancies; and
- Other employee expenses.

Note 4 does not distinguish between employee expenses for office holders and other employees, nor does it separately disclose the employee expenses based on all of the categories indicated above.

This concern was raised in last year's filing letter. Please provide the information for officers and employees other than officers in all of the above categories even if the figures are NIL.

Disclosure of employee provisions to office holders and other employees

The Reporting Guidelines also require either the Statement of Financial Position or the notes to disclose any liability for employee benefits in respect of office holders and other employees (items 20(c) and 20 (d)). Item 20(c) and 20(d) of the Reporting Guidelines also requires these provisions to be separately disclosed as follows:

- Annual leave;
- Long service leave;
- Separation and redundancies; and
- Other employee provisions.

Note 8A discloses this liability but only provides information for annual and long service leave for employees other than office holders. There is no information on office holders or separation and redundancies, and other employee provisions.

This information needs to be provided even if the amounts concerned are NIL.

Please provide information for officers and employees other than holders of office for the above categories.

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at catherine.bebbington@fwc.gov.au.

Yours sincerely



CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION

Tel: 03 8661 7974

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AHEIA

ANNUAL

REPORT

FOR THE FINANCIAL YEAR ENDED
31 DEC 2014

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PRESIDENT'S MESSAGE



Professor Andrew Vann / President

I am very pleased to present the annual report of the Australian Higher Education Industrial Association for 2014. It was a year of further development. On the home-front, the Association moved into new premises in Melbourne in a seamless manner, with more room for future expansion. At the other end of the spectrum, the Association's activities expanded to Vancouver, Canada, where I had the pleasure of attending the International Conference that was co-hosted by the Association and its Canadian and UK counterpart university employer associations. In between on the domestic scene, the Association expanded its learning and development offerings and achieved great outcomes for its members in contested proceedings before the Fair Work Commission and in internal university committee proceedings.

I look forward to continuing to work closely with the other members of the Executive Committee and with the staff of the Association to continue to deliver positive outcomes for our members.

Andrew Vann



Stuart Andrews / Executive Director

The Association worked tirelessly throughout 2014 in supporting its members in all matters to do with enterprise bargaining, in advising and representing members in proceedings before the Fair Work Commission and internal university disciplinary and redundancy review proceedings, in delivering bespoke leadership development programs, and in completing a reconfiguration of the Universities HR Benchmarking Program database. It was also a year of major conferences, with the Association co-hosting an International Conference in Vancouver, as well as organising and hosting two national conferences and a specialist members-only forum on global mobility and offshore employment issues.

The Association is continuing to expand the range of services which it provides to its members, and is continuing to look for further ways in which it can partner with other service-providers to deliver high quality services which will be valued by our members.

A handwritten signature in black ink, consisting of the initials 'S.A.' followed by a stylized flourish.

AHEIA OPERATING REPORT

FOR THE FINANCIAL YEAR ENDED
31 DEC 2014

PRINCIPAL ACTIVITIES

The Association was kept very busy throughout 2014 in providing advice, assistance and representation to its members in proceedings before the Fair Work Commission and in internal university committee proceedings involving disciplinary action against staff and reviews of redundancy decisions. This included representing three universities in the first batch of workplace bullying claims under this new head of jurisdiction of the Fair Work Commission which commenced on 1 January 2014. Other Commission proceedings included representation of members in defending unfair dismissal claims and defending general protections applications alleging breaches of workplace rights and discrimination.

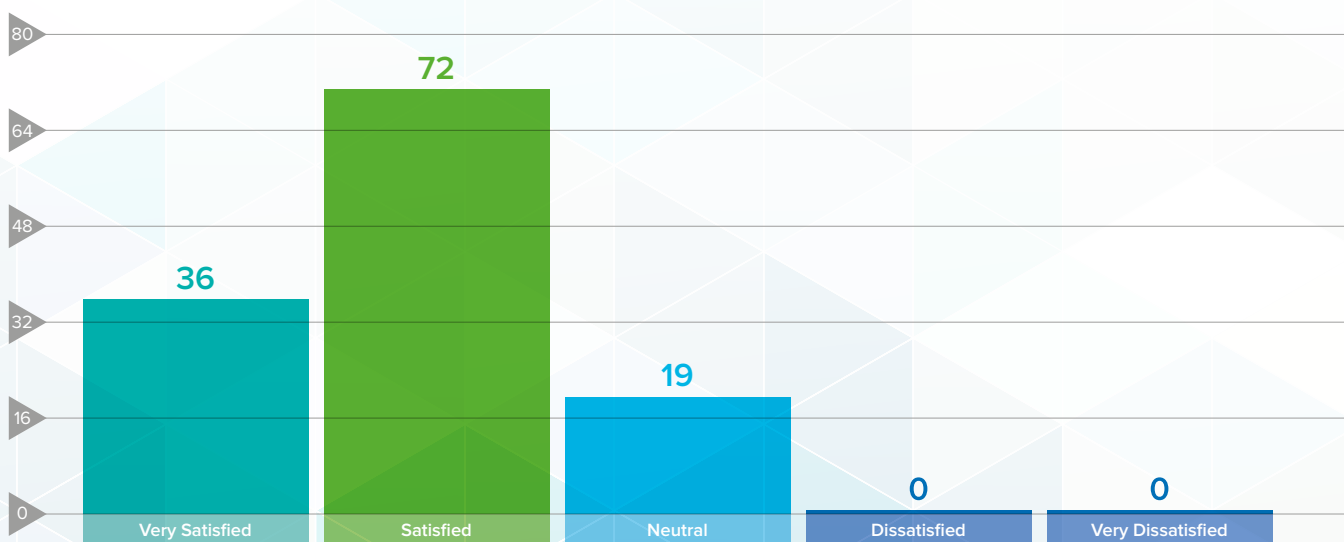
In a significant decision for universities, the Association was successful in arguing on behalf of the University of Southern Queensland that a demotion of a staff member specifically permitted by an enterprise agreement and carried out in accordance with the agreement could not constitute a dismissal within the meaning of the Fair Work Act 2009. This is the case notwithstanding that the demotion involved a significant reduction in remuneration, and resulted in the employee being unable to access the Commission's unfair dismissal jurisdiction.

As expanded on below, the Association was also very active with its Learning and Development activities, its HR Benchmarking Program, and in assisting its members in a plethora of different ways with respect to their enterprise bargaining.

The Association obtained extensions of time for universities to submit their 2014 reports to the Workplace Gender Equality Agency and made representations to WGEA on reporting issues raised by members. The Association also made a submission to the Subclass 457 visa Programme Review following consultation with its membership, and consulted with members on the subsequently-withdrawn Federal Government policy initiative to introduce a new National Paid Parental Scheme.

The Association undertook its annual membership survey in September, with 125 respondents providing great feedback and suggestions for continued improvement of delivery of services to our members. In terms of satisfaction ratings, 108 respondents indicated that they were satisfied with the services provided by the Association to its members.

Fig 1.
MEMBER SURVEY
Overall, how satisfied were you with the services you received from AHEIA?



ENTERPRISE BARGAINING

Most universities concluded their “Round 6” enterprise bargaining during 2014, with emphasis placed on key reforms identified as important for ongoing success and sustainability. These included enhancements in the ability of universities to manage the work of their academic and professional staff, and streamlining processes such as those governing the management of change, and redundancy and disciplinary provisions.

Wage growth remained moderate across the sector and remained broadly comparable to combined private and public sector growth and slightly ahead of inflation, with enterprise agreements typically providing for salary increases close to 3% per annum over 3 or 4 years. Most enterprise agreements were concluded by negotiation with unions, with the exception being Swinburne University of Technology, which was successful in obtaining a majority vote in favour of its agreement by staff in February despite a no-vote campaign by the National Tertiary Education Industry Union. This followed on from Charles Sturt University achieving a similar successful outcome in 2013. The Swinburne University Agreement was ultimately approved in December by a Full Bench of the Fair Work Commission, which ruled against various objections lodged by the NTEU.

The Association played an active role throughout the year in providing advice, assistance and representation to its members on all matters to do with enterprise bargaining, including the provision of strategic planning advice, negotiation strategy, dealing with threatened and actual industrial action, the drafting of clauses for

inclusion in proposed agreements, and addressing issues raised by the Fair Work Commission in the approval process.

The Association continued to gather information on enterprise bargaining outcomes across the sector throughout the bargaining process, and published regular National Agreement Making Reports to inform members on the state of play of bargaining as it unfolded. This was assisted by recourse to a suite of information and resources made available to our members, including the Association’s EA Content Good Practice Guide and dashboard reports relating to key provisions in enterprise agreements.

MAJOR EVENTS

ANNUAL HR/IR CONFERENCE

The annual Higher Education HR/IR Conference was held in Hobart on 14-16 May, and attracted a record attendance of 161 participants. Professor Peter Rathjen, Vice-Chancellor, University of Tasmania, gave the opening keynote presentation, followed by many other high-profile speakers including Deputy President Greg Smith AM of the Fair Work Commission, Professor Eeava Leinonen, Deputy Vice Chancellor (Education), University of Wollongong, and Max Kimber SC of the Sydney Bar.

The conference dinner was held at the Museum of Old and New Art (MONA) after participants enjoyed a special one-hour pre-dinner wander through the renowned art gallery.



Annual HR/IR Conference

ANNUAL UNIVERSITIES HR BENCHMARKING CONFERENCE

The HR Benchmarking Conference was held in Sydney on 4-5 September and also attracted a record attendance, with 125 participants from Australia, New Zealand and the United Kingdom. The opening keynote address was given by Professor Annabelle Duncan, Vice-Chancellor, University of New England, along with other notable presenters from within the sector including Professor John Germov, Pro Vice-Chancellor, Faculty of Education and Arts, University of Newcastle, the late Professor Graeme Hugo AO, ARC Professorial Fellow, University of Adelaide, Professor Hamish Coates, Chair of Higher Education, University of Melbourne, and Dr Peter Langford, Director, Voice Project. The Association also joined forces with Voice Project to present a series of awards to universities who, through participation in the Voice Project survey, had demonstrated the highest levels of employee engagement or had achieved the greatest positive change in work practices. The highest ranking universities were the University of Wollongong and University of Technology, Sydney, respectively.



Wollongong Winner / Sue Thomas



UTS Winner / Beverly Bosman

INTERNATIONAL CONFERENCE IN VANCOUVER

The Association partnered with its Canadian and UK counterpart university employer associations, Faculty Bargaining Services (FBS) and the Universities and Colleges Employer Association (UCEA) to co-host an International Conference in Vancouver on 21-22 October. The conference was titled “In Pursuit of Institutional Success and Sustainability - Directions for our Academic Workforce”, and followed on from the inaugural international conference co-hosted by the three associations in London in July 2012. The Vancouver Conference attracted 160 participants, including 15 from Australia. The Australian presenters were Professor Andrew Vann, AHEIA President (Government Policy and Institutional Sustainability), Ruth Blenkiron, AHEIA Executive Committee member (Recent Bargaining Issues in Australia), Stuart Andrews, AHEIA Executive Director (Civility in the Academic Workplace), Catherine Pugsley, AHEIA Workplace Relations Consultant (How to Handle Industrial Action that Does Not Involve a Strike), Bill Ryan, HR Director, Curtin University (How Institutions Have Dealt with Major Change), Professor Leo Goedegebuure and Liz Bare, LH Martin Institute (Flexibility in the Academic Labour Force) and Andrew Picouveau, Deputy Director HR, Monash University (Development of Research Careers).

The Association also engaged with FBS and UCEA on 20 October in a one-day symposium for staff of the three associations to discuss their core business activities and future directions.



Professor John Germov / University of Newcastle

GLOBAL MOBILITY – OFFSHORE EMPLOYMENT FORUM

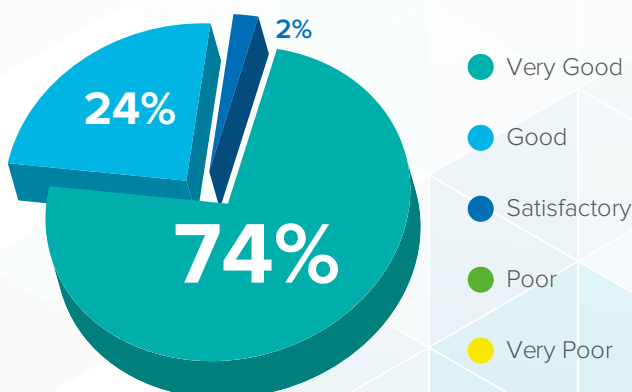
As a result of collaboration with university member HR Directors, the Association developed and hosted a members-only “Global Mobility – Offshore Employment Forum”, which was held at the ParkRoyal Hotel at Melbourne Airport on 27 November. This specialist forum was attended by 37 participants representing 22 universities, and involved discussion of a number of university case studies. The external presenters, who all participated in the concluding panel discussion, were Kumar Krishnasamy from BDO, and Joanne Thiel and Georgina Gowland from PricewaterhouseCoopers.

LEARNING AND DEVELOPMENT ACTIVITIES

The Association’s learning and development program offerings were again well-attended during the year, with over 220 participants from 23 universities attending an AHEIA training event.

The Association’s suite of core programs, specifically designed for staff working in the higher education sector, was offered to members in all mainland State capital cities. The Association also provided learning and development consultancy and training delivery services to support member universities with their internal workplace relations training programs for managers and other staff. The Association delivered a series of half day “Workplace Relations Essentials for Managers” workshops to senior staff at the University of Southern Queensland and to TAFE managers at Central Queensland University. The feedback received from staff at both universities was excellent.

Fig 2. “Overall, how would you rate the program?”



The Association’s learning and development activities rated very highly in our 2014 membership survey, with 84% of respondents indicating they were satisfied or very satisfied with the Association’s range of program offerings, and a further 84% indicating they were satisfied or very satisfied with the program content. As illustrated in Fig 2, 96% of the 128 respondents gave a program rating of either very good or good.

A significant milestone was celebrated during the year, with Jayde Lever, Senior Human Resources Officer, HR Services, University of Western Australia, becoming the 1000th participant in an AHEIA training program. This occurred with Jayde’s attendance at our Workplace Relations Practitioner program held in Perth in June, and she was the lucky recipient of a Myer gift voucher. Two AHEIA training vouchers were also presented to UWA and were graciously accepted by Sandy Fitzpatrick, Career Mobility Officer, Employee Relations and Management Services.



AHEIA’s 1000th training participant
Left Sandy Fitzpatrick, UWA, Jayde Lever, UWA, Gerard Grant, AHEIA, Robyn Trevaskis, AHEIA (25 June 2014)

As an outcome of the AHEIA Training Needs Survey of Members conducted at the end of 2013, the Association engaged the Centre for Leadership & Management to deliver ‘Managing Very Difficult Workplace Behaviour’ workshops in Sydney, Adelaide, Perth and Brisbane. The workshops were very popular with members and feedback from the programs was excellent.

A half-day Complex Case Management Workshop was held with New South Wales and ACT industrial relations

practitioners and included presentations on Work Health Safety, Case Management Models and Case Studies presented by staff from Australian Catholic University; University of Newcastle; University of Sydney and University of Western Sydney.

The Association assisted Victoria University's People and Culture staff with the development and delivery of a ½ day Evaluation Training workshop on Classification of Professional Staff Positions. The workshop was very well received.

The Association also partnered with the LH Martin Institute to design and deliver a very successful 'Effectively Handling Allegations and Investigations of Research Misconduct' program in Melbourne in August.

UNIVERSITIES HR BENCHMARKING PROGRAM

This was the third year of the Association administering the Universities HR Benchmarking Program that had been originally designed and developed by the Queensland University of Technology. Membership of the Program remained strong with 39 universities from Australia, New Zealand and Fiji participating in 2014, including a number of universities who are not currently members of the Association.

Key findings of the 2014 benchmarking survey, which included comparisons over a 5-year time-line, included:

- A consistent increase in the proportion of females within the university workforce over the last five years.
- A significant improvement in recruitment timelines over the past five years.
- A climb in the sector age profile, with the proportion of staff over 65 years of age increasing from 2.0% in 2009 to 2.9% in 2013. The proportion of staff under 25 years of age and under 30 years of age have also continued to decrease.
- A continued increase in expenditure on staffing relative to revenue. The sector average has increased by 8% during the last 4 years, increasing from 50.7% in 2010 to 54.7% in 2013.

- A decrease in the overall total annual staff turnover within the sector from nearly 19% in 2009 to nearly 16% in 2013, the lowest level over the past 5 years.

A full system redevelopment was successfully implemented by the Association in 2014 to enable external hosting of the program database. Members were very satisfied with the new system redevelopment, and observed no disruptions or difficulties in the 2014 data submission round.

AHEIA MEMBERSHIP AND GOVERNANCE

Membership at 31 December 2014

Australian Catholic University

Charles Darwin University

Charles Sturt University

CQ University

Curtin University

Deakin University

Edith Cowan University

Federation University Australia

Flinders University

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 Adelaide

University of Canberra

University of Newcastle

University of New England

University of Queensland

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 Western Australia

University of Wollongong

Victoria University



GENERAL MEETING OF MEMBERS

An Extraordinary General Meeting of the Association was held in Melbourne on 6 May 2014 and the Annual General Meeting was held in Newcastle on 28 October 2014.

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 the 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;
 - 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.

THE EXECUTIVE COMMITTEE



Professor Andrew Vann

PRESIDENT

**Vice Chancellor and President,
Charles Sturt University**

29 October 2013 – November 2015
8 November 2012 – 29 October 2013 (member)



Professor Greg Craven

VICE PRESIDENT

**Vice Chancellor,
Australian Catholic University**

29 October 2013 – November 2015
18 November 2011 – 29 October 2013
10 November 2009 – 18 November 2011



Professor Peter Dawkins

MEMBER

**Vice Chancellor and President,
Victoria University**

28 October 2014 – October 2016
8 November 2012 – 28 October 2014



Professor Carol Dickenson

MEMBER

**Senior Deputy Vice Chancellor Academic,
Queensland University of Technology**

28 October 2014 – October 2016
8 November 2012 – 28 October 2014
23 November 2010 – 8 November 2012



Ruth Blenkiron

MEMBER

**Director Human Resources,
University of South Australia**

28 October 2014 – October 2016
8 November 2012 – 28 October 2014



Professor John Dewar

MEMBER

**Vice Chancellor and President,
La Trobe University**

28 October 2014 – October 2016
11 December 2013 – 28 October 2014

EXECUTIVE COMMITTEE ELECTION

In accordance with the Association's rules, nominations were called for the election of four general members of the Executive Committee on 13 August 2014. At the close of nominations on 5 August 2014 only one nomination for each of the offices had been received. Accordingly, the following Officers were declared elected to these positions unopposed and assumed office at the Annual General Meeting held on 28 October 2014.

Member

Professor Carol Dickenson
Senior Deputy Vice Chancellor (Academic), Queensland University of Technology

Member

Professor Peter Dawkins
Vice Chancellor and President, Victoria University

Member

Ruth Blenkiron
Director Human Resources, University of South Australia

Member

Professor John Dewar
Vice Chancellor and President, La Trobe University

Meetings of the Executive Committee

Monday 17 February	Teleconference
Monday 31 March	Teleconference
Monday 7 July	Teleconference
Monday 13 October	Teleconference

The Association's Staff

As at 31 December 2014 the Association employed a total of 10 full-time staff. The Association made two new appointments during the course of the year, with Bianca Rance commencing as a Workplace Relations Advisor in May and Nicole Raynal joining the Association as an Administration Assistant in June. Annemarie Comerford took on the role of Training Administrator in May, after having previously occupied an Administrative Assistant position.

Other Matters of Importance

All members of the Association are universities.

A rule change resolution was passed at the Annual General Meeting and approved by the Fair Work Commission on 15 December 2014, providing for a six month period for the completion of training for Officers of the Association in relation to financial and governance issues, as required by the Fair Work (Registered Organisations) Act 2009.

Disclosure Statement

There was no key management compensation paid to or any transactions between related parties by any of the Officers in the financial year ending 31 December 2014.

The following Officers and employees of the Association were directors of a company, members of a board, a trustee of a superannuation scheme or a director of a company that is a trustee of a superannuation entity during the reporting period. None of these Officers or employees held any of the following positions because they are an Officer or an employee of the Association; nor were they nominated for any of those positions by the Association or by a peak council.



PROFESSOR ANDREW VANN

President

- ▶ Board Member, TAFE NSW Commission Board – Education
- ▶ Member, Charles Sturt University Council – Education
- ▶ Convenor, New South Wales Vice Chancellors' Committee – Education
- ▶ Chair, UniProjects – Education
- ▶ Committee Member, Talloires Network Steering Committee – Education
- ▶ Chair, Shapping the 21st Century Student Experience, Reference Group – The Office for Learning and Teaching commissioned project – Education
- ▶ Board of Management Member, The Graham Centre – Agriculture research
- ▶ Council Member, National Wine and Grape Industry Centre – Wine grape research
- ▶ Board Member, World Association for Cooperative Education – Education.

PROFESSOR GREG CRAVEN

Vice President

- ▶ Member, NSW/Victorian Vice-Chancellors Committee Interaction between NSW government and other agencies providing expert advice and strategic direction on matters of policy, and provides a forum for discussion of matters affecting the higher education sector.
- ▶ Member, National Catholic Education Commission – Maintain effective liaison with the Commonwealth Government and other key national education bodies.
- ▶ Member, Truth Justice and Healing – Established to oversee the Church's engagement with the Royal Commission
- ▶ Elected Board Member, Universities Australia – Peak body representing the university sector in the public interest.
- ▶ Member, Expert Advisory Panel for the White Paper on the Reform of the Federation.
- ▶ NSWVCC representative on the Teacher Education Policy Advisory Committee for the Board of Studies, Teaching and Educational Standards (BoSTES)
- ▶ Chair, Commonwealth Government, Teacher Education Ministerial Advisory Group
- ▶ Member, Tertiary Education Quality and Standards Agency (TEQSA) Advisory Council
- ▶ Chair, Standing Group on Quality and Regulation for Universities Australia

PROFESSOR CAROL DICKENSON

Executive Committee Member

- ▶ Board Member, QUT Bluebox – QUT Spin out Company. Working with QUT Researchers to translate outcomes from University environments to market.

PROFESSOR JOHN DEWAR

Executive Committee Member

- ▶ Board Member, Education Australia Ltd – Formerly IDP Education Australia Ltd, EAL is a company owned by 38 Australian universities and holds a 50% share in IDP Education Ltd. IDP Education offers student placement in Australia, the USA, Canada, the UK and New Zealand.
- ▶ Board Member, Olivia Newton John Cancer Research Centre Board

PROFESSOR PETER DAWKINS

Executive Committee Member

- ▶ Board Member, Business Higher Education Roundtable, Not for Profit organisation established to strengthen the relationship between business and higher education.
- ▶ Company Director, WERNet – Victorian Education and research Network, WERNet designs, builds operates and manages a network that enables educators, researchers and students to exchange ideas and communicate faster.

STUART ANDREWS

Executive Director

- ▶ Chair, Committee of Management, 76 Auburn Road Kingston Body Corporate (honorary position) – Residential dwellings complex
- ▶ Chair, Committee of Management, 1A Brown's Road Kingston Body Corporate (honorary position) – Residential dwellings complex

PETER RAYMOND

Workplace Relations Consultant

- ▶ Director, Austheritage – Web based information

ROBYN TREVASKIS

Workplace Relations Consultant

- ▶ Director, Imprimis Pty Ltd atf Impey Superannuation Fund – Investment

AHEIA FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED
31 DEC 2014



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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION

Report on the Financial Report

We have audited the accompanying general purpose financial report of Australian Higher Education Industrial Association (the Association), which comprises the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by the Executive Committee.

Boards' Responsibility for the Financial Report

The Executive Committee of the Association 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 requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the Association's financial position and performance as represented by the results of its operations and its cash flows. This responsibility includes establishing and maintaining internal controls 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 judgment, 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.

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

Independence

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

Auditor's Opinion

In our opinion:

- (a) the general purpose financial report of the Australian Higher Education Industrial Association gives a true and fair view the Association's financial position as at 31 December 2014 and their performance for the year ended on that date in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations) and other mandatory professional reporting requirements in Australia, the requirements of the *Fair Work (Registered Organisations) Act 2009*, and other requirements imposed by these reporting guidelines and Part 3 of Chapter 8 of the RO Act;
- (b) management's use of the going concern basis of accounting in the preparation of the Australian Higher Education Industrial Association financial report is appropriate; and
- (c) the financial report properly and fairly reports all information required by the reporting guidelines, including:
 - (i) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activities; and
 - (ii) any donations or other contributions deducted from recovered money

DFK Collins

DFK Collins
Chartered Accountants

Robert Wernli

Robert Wernli, F.C.A.
Partner
Registered Company Auditor, Registration Number: 16278

16 February 2015
Melbourne

COMMITTEE OF MANAGEMENT STATEMENT

for the year ended 31 December 2014



Australian
Higher
Education
Industrial
Association

AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION

COMMITTEE OF MANAGEMENT STATEMENT

On the 16 February 2015 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 financial year ended 31 December 2014:

The Executive Committee, having been advised accordingly by the Executive Director in a letter addressed to the President dated 9 February 2015, 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 General Manager;
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Association for the financial year to which they relate;
- (d) There are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable; and
- (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 including the rules of a branch concerned; and
 - (ii) The financial affairs of the Association 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 Association 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 Association have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) Where information has been sought in any request by a member of the Association or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; 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.
- (f) The organisation has not undertaken any recovery of wages activity.

DESIGNATED OFFICER: Professor Andrew Vann

TITLE OF OFFICE: President

SIGNATURE:

DATE: 16/2/15

Level 6
303 Collins Street
Melbourne
Victoria 3000

Tel: 03 9614 5550
Fax: 03 9614 3125

www.aheia.edu.au

STATEMENT OF COMPREHENSIVE INCOME

as at 31 December 2014

		2014	2013
	Notes	\$	\$
Revenue from ordinary activities	3	2,754,712	2,571,671
Other income			
Fair value adjustment for movement in investments	14B	62,004	165,937
Expenses			
Employee expenses	4A	(1,482,918)	(1,268,872)
Depreciation and amortisation		(35,377)	(17,876)
Occupancy expenses		(224,685)	(152,620)
Travelling expenses		(78,226)	(76,636)
Communication expenses		(30,956)	(37,990)
Printing and stationery expenses		(22,342)	(37,143)
Professional fees expense		(44,471)	(33,956)
Legal costs	4C	(14,894)	(6,071)
Information technology expenses		(60,504)	(35,621)
Insurance expenses		(14,538)	(14,929)
Conference and meeting expenses		(481,680)	(422,591)
Other administration expenses	4B	(73,354)	(52,675)
Total expenses		<u>2,563,945</u>	<u>2,156,980</u>
Surplus for the year		<u>252,771</u>	<u>580,628</u>
Other comprehensive income		–	–
Total comprehensive income for the year		<u>252,771</u>	<u>580,628</u>

The above statement should be read in conjunction with the notes.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2014

		2014	2013
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	308,649	1,140,519
Trade and other receivables	5B	98,646	57,265
Other current assets	5C	2,987,821	2,021,309
Total current assets		<u>3,395,116</u>	<u>3,219,093</u>
Non-Current Assets			
Plant and equipment	6A	222,160	25,945
Total non-financial assets		<u>222,160</u>	<u>25,945</u>
Total assets		<u>3,617,276</u>	<u>3,245,038</u>
LIABILITIES			
Current Liabilities			
Trade payables	7A	65,959	43,553
Other payables	7B	151,735	181,754
Employee provisions	8A	172,136	138,868
Total current liabilities		<u>389,830</u>	<u>364,175</u>
Non-Current Liabilities			
Other payables	7B	90,400	–
Employee provisions	8A	25,199	21,787
Total non-current liabilities		<u>115,599</u>	<u>21,787</u>
Total liabilities		<u>505,429</u>	<u>385,962</u>
Net assets		<u>3,111,847</u>	<u>2,859,076</u>
EQUITY			
Reserves	9A	725,000	725,000
Accumulated surplus		2,386,847	2,134,076
Total equity		<u>3,111,847</u>	<u>2,859,076</u>

The above statement should be read in conjunction with the notes.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2014

	Reserves	Accumulated Surplus	Total equity
	\$	\$	\$
Balance as at 1 January 2014	725,000	2,134,076	2,859,076
Surplus for the year	–	252,771	252,771
Other comprehensive income for the year	–	–	–
Closing balance as at 31 December 2014	725,000	2,386,847	3,111,847
Balance as at 1 January 2013	725,000	1,553,448	2,278,448
Surplus for the year	–	580,628	580,628
Other comprehensive income for the year	–	–	–
Closing balance as at 31 December 2013	725,000	2,134,076	2,859,076

The above statement should be read in conjunction with the notes.

STATEMENT OF CASH FLOWS

for the year ended 31 December 2014

		2014	2013
	Notes	\$	\$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entities		–	–
Cash receipts in the course of operations		2,707,384	2,732,164
Interest received		42,281	50,945
Cash used			
Payments to employees and suppliers		(2,558,965)	(2,359,834)
Payment to other reporting units/controlled entities		–	–
Net cash from (used by) operating activities	10A	<u>190,700</u>	<u>423,275</u>
INVESTING ACTIVITIES			
Cash used			
Payments for investments		(781,393)	(389,397)
Payments for plant and equipment		(241,632)	(5,415)
Proceeds from sale of plant and equipment		455	–
Net cash from (used by) investing activities		<u>(1,022,570)</u>	<u>(394,812)</u>
Net increase (decrease) in cash held		<u>(831,870)</u>	<u>28,463</u>
Cash & cash equivalents at the beginning of the reporting period		1,140,519	1,112,056
Cash & cash equivalents at the end of the reporting period	5A	<u>308,649</u>	<u>1,140,519</u>

The above statement should be read in conjunction with the notes.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Australian Higher Education Industrial Association 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 at 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.

1.2 Comparative amounts

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

1.3 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period are not expected to have a material financial impact on future reporting periods for Australian Higher Education Industrial Association.

1.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

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

1.5 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.6 Capitation fees and levies

The Australian Higher Education Industrial Association did not pay or receive capitation fees or levies in the year ended 31 December 2014, or in the prior year ended 31 December 2013.

1.7 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits 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.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.8 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 fulfilment 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 statement of comprehensive income on a straight-line basis. Lease incentives under operating leases are recognised as a liability and expensed on a straight line basis over the life of the lease term.

1.9 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

1.10 Financial instruments

Financial assets and financial liabilities are recognised when Australian Higher Education Industrial Association becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.11 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Association manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Association's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the Association has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Association's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment

loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Association derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.12 Financial Liabilities

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Association derecognises financial liabilities when, and only when, the Association obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.13 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable

but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.14 Plant and Equipment

Asset Recognition Threshold

Purchases of plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following depreciation rates:

	Depreciation rates	Depreciation basis
Office equipment	25%	Straight line
Furniture and Fittings	33%	Straight line
Computer equipment	25%	Straight line
Leasehold improvements	33%	Straight line

Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.15 Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Association were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.16 Taxation

The Australian Higher Education Industrial Association is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except; where the amount of GST incurred is not recoverable from the Australian Taxation Office; and for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.17 Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12

months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

1.18 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

The Association determines the estimated useful lives and related depreciation charges for its plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation 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 1.7, 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.

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.19 Recovery of wages

The Association has not undertaken any recovery of wages activity during the financial year.

1.20 Going concern assumption

The carrying amounts of the Association's assets and liabilities in this financial report are based on the continuing operation of the Association in accordance with its Rules. The Executive Committee has chosen to adopt the going concern assumption to underpin the carrying amounts in this report on the basis of strong net cash inflows from operations, positive budgeted results and financial management skills available.

NOTE 2

EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 31 December 2014 that has significantly affected, or may significantly affect the Australian Higher Education Industrial Association's operations, the results of those operations, or the Australian Higher Education Industrial Association's state of affairs in future financial years.

2014

2013

\$

\$

NOTE 3 REVENUE FROM ORDINARY ACTIVITIES

Membership subscriptions	2,124,155	2,015,717
Interest received	42,281	50,945
Investment income	116,128	67,665
Conference and sponsorship income	418,527	372,903
Service fees	51,346	64,441
Capitation fees	–	–
Levies	–	–
Grants and donations	–	–
Miscellaneous Income	2,275	–
Total revenue from ordinary activities	2,754,712	2,571,671

NOTE 4 EXPENSES

Note 4A: Employee expenses

Wages and salaries	1,320,199	1,123,623
Superannuation	126,038	104,349
Leave and other entitlements	36,681	40,900
Total employee expenses	1,482,918	1,268,872

Note 4B: Administration expenses

Equipment hire	10,325	9,536
Subscription fees	3,653	4,028
Plant and equipment written-off	9,585	–
Office services and supplies	19,001	13,309
Bad debts written off	1,949	–
Bank charges	7,065	3,205
Other operating expenses	21,776	22,597
Capitation fees	–	–
Affiliation fees	–	–
Grants or donations	–	–
Consideration to employers for payroll deductions	–	–
Penalties - via RO Act or RO Regulations	–	–
Compulsory levies	–	–
Fees/allowances – meeting and conferences	–	–
Subtotal administration expense	73,354	52,675

	2014	2013
	\$	\$
Note 4C: Legal costs		
Litigation	–	–
Other legal matters	14,894	6,071
Total legal costs	<u>14,894</u>	<u>6,071</u>

NOTE 5 CURRENT ASSETS

Note 5A: Cash and Cash Equivalents

Cash at bank	308,449	340,319
Cash on hand	200	200
Short term deposits	–	800,000
Total cash and cash equivalents	<u>308,649</u>	<u>1,140,519</u>

Note 5B: Trade and Other Receivables

Trade receivables	65,969	4,500
Receivables from other reporting units	–	–
Less provision for doubtful debts	–	–
Total receivables	<u>65,969</u>	<u>4,500</u>
Other receivables:		
GST receivable from the ATO	21,149	25,240
Other receivables	11,528	27,525
Total other receivables	<u>32,677</u>	<u>52,765</u>
Total trade and other receivables (net)	<u>98,646</u>	<u>57,265</u>

The average credit period is 30 days (2013: 30 days). No interest is charged on outstanding amounts

Note 5C: Other Current Assets

Prepayments	54,931	27,098
Deposits	–	20,846
MLC Investment Portfolio	2,032,890	1,873,365
Term Deposits	900,000	100,000
Total other current assets	<u>2,987,821</u>	<u>2,021,309</u>

2014**2013**

\$

\$

**NOTE 6
NON-CURRENT ASSETS****Note 6A: Plant and equipment**

Plant and equipment:

At cost	267,762	61,818
Less accumulated depreciation and amortisation	(45,602)	(35,873)
Total plant and equipment	222,160	25,945

Reconciliation of carrying amounts of plant and equipment

Balance at the beginning of the year	25,945	38,407
Additions	241,632	5,414
Disposals	(10,040)	–
Depreciation and amortisation	(35,377)	(17,876)
Carrying amount at end of the year	222,160	25,945

	2014	2013
	\$	\$

NOTE 7 LIABILITIES

Note 7A: Trade payables

Trade creditors	65,959	43,553
Subtotal trade creditors	<u>65,959</u>	<u>43,553</u>
Payables to other reporting units	—	—
Subtotal payables to other reporting units	<u>—</u>	<u>—</u>
Total trade payables	<u>65,959</u>	<u>43,553</u>

The average credit period is 30 days (2013: 30 days). No interest is charged on outstanding amounts.

Note 7B: Other payables

Accrued wages and salaries	17,290	10,457
Other accrued expenses	10,000	10,000
Superannuation and PAYG payable	63,767	48,071
Consideration to employers for payroll deductions	—	—
Legal costs	—	—
Prepayments received/unearned revenue	42,853	110,514
GST payable	—	—
Deferred lease incentive	94,601	—
Other payables	13,624	2,712
Total other payables	<u>242,135</u>	<u>181,754</u>
Total other payables are expected to be settled in:		
No more than 12 months	151,735	181,754
More than 12 months	90,400	—
Total other payables	<u>242,135</u>	<u>181,754</u>

2014 **2013**

\$ \$

NOTE 8 PROVISIONS

Note 8A: Employee Provisions

Employees other than office holders:

Annual leave	86,346	62,256
Long service leave	110,989	98,399
Total employee provisions	197,335	160,655
Current	172,136	138,868
Non Current	25,199	21,787
Total employee provisions	197,335	160,655

NOTE 9 EQUITY

Note 9A: Reserves

Reserve for Legal Services	(a)		
Balance as at start of year		475,000	475,000
Transferred to/(from) reserve		–	–
Balance as at end of year		475,000	475,000
Reserve for Major Contingency	(b)		
Balance as at start of year		250,000	250,000
Transferred to/(from) reserve		–	–
Balance as at end of year		250,000	250,000
Total reserves		725,000	725,000

(a) Reserve for Legal Services

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) Reserve for Major Contingency

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 9B: Accumulated Surplus

Accumulated surplus at the beginning of the financial year	2,134,076	1,553,448
Surplus for the year	252,771	580,628
Accumulated surplus at the end of the financial year	2,386,847	2,134,076

	2014	2013
	\$	\$

NOTE 10 CASH FLOW

Note 10A: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:

Cash and cash equivalents as per:

Cash flow statement	308,649	1,140,519
Balance sheet	308,649	1,140,519
Difference	–	–

Reconciliation of profit to net cash from operating activities:

Surplus from ordinary activities after income tax	252,771	580,628
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Adjustments for non-cash items:

Depreciation and amortisation	35,377	17,876
Write down of non-financial assets	9,585	–
Change in fair value of investments - decrease/(increase)	(178,132)	(233,602)

Changes in assets and liabilities:

(Increase)/decrease in receivables	(71,049)	(210)
(Increase)/decrease in other assets	18,588	(40,209)
Increase/(decrease) in payables	86,880	57,892
Increase/(decrease) in employee provisions	36,680	40,900
Net cash from (used by) operating activities	190,700	423,275

Note 10B: Cash flow information

Cash inflows		
Australian Higher Education Industrial Association	2,750,120	2,783,109
Total cash inflows	2,750,120	2,783,109
Cash outflows		
Australian Higher Education Industrial Association	3,581,990	2,754,646
Total cash outflows	3,581,990	2,754,646

	2014	2013
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	\$	\$
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NOTE 11 CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

Note 11A: Commitments

Operating lease commitments—as lessee

Operating leases are in place for the following:

- Rental of premises at Level 6, 303 Collins Street, Melbourne
- Rental of Lanier Photocopier

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

Within one year	102,351	112,194
After one year but not more than five years	420,383	43,530
More than five years	106,915	–
	629,649	155,724

Note 11B: Contingencies

The Association had no contingent assets or liabilities as at 31 December 2014 and 31 December 2013.

NOTE 12 RELATED PARTY DISCLOSURES

Note 12A: Related Party Transactions for the Reporting Period

There were no related party transactions, loans to/from related parties, and trade receivables from or trade payables to related parties during the current and previous financial year.

Note 12B: Key Management Personnel Remuneration for the Reporting Period

The aggregate compensation made to officers and other members of key management personnel of the Association is set out below:

	2014	2013
	\$	\$
Short-term employee benefits	363,410	275,641

NOTE 13 REMUNERATION OF AUDITORS

Value of the services provided

Financial statement audit services	12,255	12,000
Other Services	9,700	–
Total remuneration of auditors	21,955	12,000

2014

2013

\$

\$

NOTE 14 FINANCIAL INSTRUMENTS

This note presents information about the Association's financial instrument risk management objectives, policies and processes for measuring and managing risk.

The Committee of Management has responsibility for the establishment and oversight of the risk management framework to identify and analyse the risks faced by the Association.

The Association's principal financial instruments comprise cash and short-term deposits, fair value through profit or loss assets and accounts receivable/payable. At the end of the 2014 financial year, the Association had investments of \$2,032,890 (2013: \$1,873,365) in managed funds through MLC Masterkey Investment. These funds are managed by third parties to achieve the growth targets set by the Committee of Management, which evaluates the performance of its portfolio based on reports received from the external financial advisor.

The Association's activities expose it primarily to the financial risks of changes in interest rates, price risk, liquidity risk and credit risk. The Association does not enter into or trade financial instruments including derivative financial instruments for speculative purposes. The Committee of Management reviews and agrees policies for managing each of these risks and undertakes regular monitoring of the performance of its financial assets and liabilities.

Note 14A: Categories of Financial Instruments

Financial assets	Note	Category	2014	2013
Cash and cash equivalents	5A	N/A	308,649	1,140,519
Term Deposits	5C	Held to maturity	900,000	100,000
Trade Receivables	5B	Loans and receivables	65,969	4,500
Managed Investment Portfolio	5C	Fair value through profit or loss	2,032,890	1,873,365
Financial liabilities				
Trade Payables	7A	Financial liabilities measured at amortised cost	65,959	43,553

	2014	2013
	\$	\$

Note 14B: Net Income and Expense from Financial Assets

Cash and cash equivalents

Interest revenue	9,396	47,215
Net gain/(loss) on cash and cash equivalents	9,396	47,215

Held-to-maturity

Interest revenue	32,886	3,730
Net gain/(loss) held-to-maturity	32,886	3,730

Fair value through profit and loss

Designated as fair value through profit and loss:

Change in fair value	62,004	165,937
Interest revenue	116,128	67,665
Total designated as fair value through profit and loss	178,132	233,602
Net gain/(loss) at fair value through profit and loss	178,132	233,602
Net gain/(loss) from financial assets	220,414	284,547

Note 14C: Fair Value of Financial Instruments

	Carrying amount 2014 \$	Fair value 2014 \$	Carrying amount 2013 \$	Fair value 2013 \$
Financial Assets				
Cash and cash equivalents	308,649	308,649	1,140,519	1,140,519
Trade receivables	65,969	65,969	4,500	4,500
Investments – held to maturity	900,000	900,000	100,000	100,000
Investments - FVTPL	2,032,890	2,032,890	1,873,365	1,873,365
Total	3,307,508	3,307,508	3,118,384	3,118,384

The Committee of Management consider that the carrying amount of financial assets and liabilities recorded in the financial statements approximate their fair value.

Fair value measurements categorised by fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value, by valuation method. The different levels are defined below:

Level 1: Fair value obtained from unadjusted quoted prices in active markets for identical instruments

Level 2: Fair value derived from inputs other than quoted prices included within Level 1 that are observable for the instrument, either directly or indirectly.

Level 3: Fair value derived from inputs that are not based on observable market data.

Fair value hierarchy for financial assets

	Level 1		Level 2		Level 3	
	2014	2013	2014	2013	2014	2013
Managed investment portfolio	2,032,890	1,873,365	–	–	–	–
Total	2,032,890	1,873,365	–	–	–	–

Note 14D: Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Association. The Association has adopted a policy of only dealing with creditworthy counter parties as a means of mitigating the risk of financial loss from defaults. The Association's exposure is continuously monitored and limits reviewed annually.

Trade receivables consist of a large number of members and customers, spread across diverse industries and geographical areas. The Association does not have any significant credit risk exposure to any single party or any economic entity of counter parties having similar characteristics.

The credit risk on liquid funds is limited because the counter parties are recognized banking institutions. Trade receivables are concentrated in Australia. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

Note 14E: Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Committee of Management, who has in place a framework to management the Association's short, medium and long term funding and liquidity. The Association manages the liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows by matching the maturity profiles of financial assets and liabilities. Given the current surplus cash assets, liquidity risk is considered to be minimal.

Note 14F: Market Risk

The Association is exposed to equity securities price risk through the managed funds held with MLC Masterkey Investment. This arises from investments held by the Association and classified on the statement of financial position as fair value through profit and loss. The Association is not exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, the Association diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Committee of Management based on advices provided by external financial advisor. The majority of the Association's equity investments are publicly traded funds.

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:

	Floating Interest Rate		Non Interest Bearing		Total	
	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$
Financial Assets:						
Cash	308,449	1,140,319	200	200	308,649	1,140,519
Term deposits	900,000	100,000	–	–	900,000	100,000
Investment – fair value through profit or loss	2,032,890	1,873,356	–	–	2,032,890	1,873,356
Trade and other receivables	–	–	65,969	4,500	65,969	4,500
Total Financial Assets	3,241,339	3,113,675	66,169	4,700	3,307,508	3,118,375
Trade and other payables	–	–	65,959	43,553	65,959	43,553

Price risk

The Association is exposed to equity securities price risk through the managed funds held with MLC Masterkey Investment. This arises from investments held by the Association and classified on the statement of financial position as fair value through profit and loss. The Association is not exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, the Association diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Committee of Management based on advices provided by external financial advisor. The majority of the Association's equity investments are publicly traded funds.

		Interest rate risk				Other price risk			
		(1%) Net result	(1%) Equity	1% Net result	1% Equity	(5%) Net result	(5%) Equity	5% Net result	5% Equity
2014									
Cash and cash equivalents	308,649	(3,086)	(3,086)	3,086	3,086	–	–	–	–
Other financial assets	2,998,859	–	–	–	–	(149,943)	(149,943)	149,943	149,943
Total	3,307,508	(3,086)	(3,086)	3,086	3,086	(149,943)	(149,943)	149,943	149,943

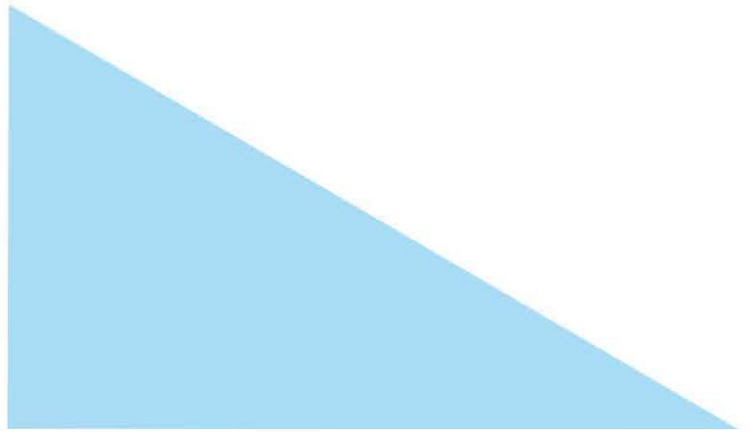
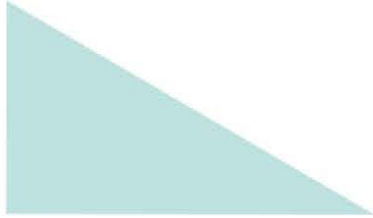
		Interest rate risk				Other price risk			
		(1%) Net result	(1%) Equity	1% Net result	1% Equity	(5%) Net result	(5%) Equity	5% Net result	5% Equity
2013									
Cash and cash equivalents	1,140,519	(11,405)	(11,405)	11,405	11,405	–	–	–	–
Other financial assets	1,977,856	–	–	–	–	(98,893)	(98,893)	98,893	98,893
Total	3,118,375	(11,405)	(11,405)	11,405	11,405	(98,893)	(98,893)	98,893	98,893

NOTE 15 Information to be provided to members of the registrar

- 272(1) A member of a reporting unit, or the General Manager of Fair Work Australia, 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 16 Association Details

The principal place of business of the Association is:
 Australian Higher Education Industrial Association
 Level 6
 303 Collins Street
 Melbourne Victoria 3000



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