



AUSTRALIAN INDUSTRIAL REGISTRY

Australian Industrial Registry
Level 35, Nauru House
80 Collins Street
MELBOURNE VIC 3000
Telephone: (03) 8661 7888
Fax: (03) 9654 6672

Ref: FR2002/429-[283V]

Mr. G McCulloch
National Secretary
National Tertiary Education Industry Union
PO Box 1323
SOUTH MELBOURNE VIC 3205

Dear Mr. McCulloch

**Re: National Tertiary Education Industry Union
Financial Reporting Obligations under *Workplace Relations Act 1996***

This is a courtesy letter to remind you of the financial reporting obligations of the abovenamed body under the *Workplace Relations Act 1996* ("the Act") for the financial year ended 30 June, 2002.

The legislative scheme set out in Part IX, Division 11 of the Act is directed at ensuring that a registered organisation or a branch of such an organisation discharges obligations of accountability to its members in relation to its financial affairs through proper and regular disclosure of financial information. The various steps of the financial reporting requirements must be carried out within the time-scales prescribed by the legislation so as to ensure the relevance of the financial information provided to the members.

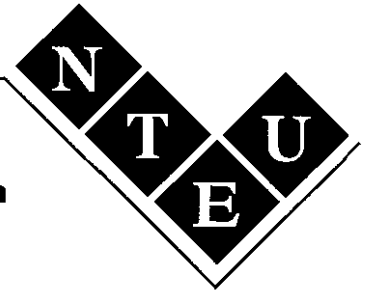
Now that the financial year has ended, it is timely that you put in train the various steps of the financial reporting requirements. To assist you with this process I have enclosed for your information a notice summarising these requirements including the time-scales prescribed by the legislation.

Please do not hesitate to contact me on (03) 8661 7787 if you wish to discuss the financial reporting requirements, especially if you anticipate any difficulty in meeting any step in the time-scales prescribed.

Yours sincerely

Clency Lapierre
Team Manager
E-mail: clency.lapierre@air.gov.au
11 July, 2002

**National
Tertiary
Education
Industry
Union**



NATIONAL OFFICE

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Ref: 30/40/067

19 December 2002

Australian Industrial Registry
GPO Box 1994S
MELBOURNE 3001

National Tertiary Education Industry Union Financial Statements for 2001-2002

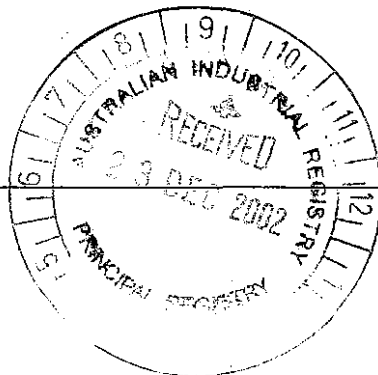
Secretary's Certificate

I, Grahame McCulloch, General Secretary of the National Tertiary Education Industry Union (NTEU), certify that:

1. In accordance with a resolution of the managing committee adopted on 20 September 2002, a summary of the audited financial statements and Auditor's Report for the financial year 2001-2002, both authorised by the Auditor, was issued to all members of the NTEU free of charge, in the NTEU journal, the *Advocate*, on 3 November 2002.
2. The enclosed documents include a copy of the *Advocate* and the summary and full financial statements for the financial year ending 2002. These were presented to a meeting of the Committee of Management on 15 November 2002. Members of the NTEU were informed of their right to examine the full report.
3. The information contained in the accounts, statements and reports is correct.

Signed: 

19 December 2002



NATIONAL TERTIARY EDUCATION INDUSTRY UNION

EXECUTIVE COMMITTEE'S CERTIFICATE

FOR THE YEAR ENDED 30 JUNE 2002

We, being two members of the National Executive of the National Tertiary Education Industry Union, do state on behalf of the Executive and in accordance with a resolution passed by the Executive, that:

1. In the opinion of the Executive, the attached financial statements show a true and fair view of the financial affairs of the Union as at 30 June 2002.
2. In the opinion of the Executive, meetings of the Executive were held during the period 1 July 2001 to 30 June 2002 in accordance with rules of the Union.
3. To the knowledge of any member of the Committee, there have been no instances where records of the Union or other documents (not being documents containing information made available to a member of the organisation under subsection 274(2) of the Act) or copies of those records or other documents, or copies of the Constitution of the Union, have not been furnished, or made available to members of the organisation in accordance with the Act or Regulations of the Constitution.
4. The accounts were prepared in accordance with subsection 273(1) of the Act and the Union has complied with subsection 279(1) and (6) of the Act.



Grahame McCulloch



Carolyn Allport

15 November 2002
at Melbourne

***NATIONAL TERTIARY
EDUCATION INDUSTRY UNION***

Financial Statements for the year ended

30 JUNE 2002

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

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NATIONAL TERTIARY EDUCATION INDUSTRY UNION**STATUTORY STATEMENT****FOR THE YEAR ENDED 30 JUNE 2002****ACCOUNTING OFFICER'S CERTIFICATE**

I, Grahame McCulloch, being the officer for keeping the accounting records of the National Tertiary Education Industry Union, certify that as at 30 June 2002 the number of members of the Union was twenty five thousand three hundred and seventy five academic and general staff.

In my opinion,

1. The attached financial statements show a true and fair view of the financial affairs of the Union as at 30 June 2002;
2. A record has been kept of all monies paid by, or collected from, members and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the Rules of the Union;
3. Before any expenditure was incurred by the Union, approval of the incurring of the expenditure was obtained in accordance with the Rules of the Union;
4. With regard to funds of the Union raised by compulsory levies or voluntary contributions from members or funds other than the National Fund operated in accordance with the Rules, no payments were made out of such fund for purposes other than those for which the fund was operated;
5. All loans or other financial benefits granted to persons holding office in the Union were authorised in accordance with the Rules; and
6. The register of members of the Union was maintained in accordance with the Act.



Grahame McCulloch

20 September 2002
at Melbourne

NATIONAL TERTIARY EDUCATION INDUSTRY UNION**EXECUTIVE COMMITTEE'S CERTIFICATE****FOR THE YEAR ENDED 30 JUNE 2002**

We, being two members of the National Executive of the National Tertiary Education Industry Union, do state on behalf of the Executive and in accordance with a resolution passed by the Executive, that:

1. in the opinion of the Executive, the attached financial statements show a true and fair view of the financial affairs of the Union as at 30 June 2002;
2. in the opinion of the Executive, meetings of the Executive were held during the period 1 July 2001 to 30 June 2002 in accordance with the rules of the Union;
3. to the knowledge of any member of the Committee, there have been no instances where records of the Union or other documents (not being documents containing information made available to a member of the organisation under subsection 274(2) of the Act) or copies of those records or other documents, or copies of the Constitution of the Union, have not been furnished, or made available to members of the organisation in accordance with the Act or Regulations of the Constitution;
4. the accounts were prepared in accordance with subsection 273(1) of the Act and the Union has complied with subsection 279(1) and (6) of the Act.



Grahame McCulloch



Carolyn Allport

20 September 2002
at Melbourne

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2002

	NOTE	2002 \$	2001 \$
Income			
Income from operating activities:	2	<u>4,600,161</u>	<u>4,412,770</u>
Expenses			
Officers and central resources:			
Central operating costs & resources		1,363,185	1,320,325
Publications		57,790	97,146
Executive and national council		787,859	602,464
Co-operation with other organisations		119,632	115,849
Industrial		619,831	702,682
Policy and research		418,859	399,655
Recruitment and membership training		397,629	399,741
Finance and personnel		228,718	216,181
Decrease in Net Market Value of Investments		60,667	-
Other expenses	3	<u>36,959</u>	<u>158,463</u>
Total expenses		<u>4,091,129</u>	<u>4,012,506</u>
Net operating surplus		<u>509,032</u>	<u>400,264</u>
Total change in equity		<u>509,032</u>	<u>400,264</u>

The accompanying notes form part of these financial statements.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2002

	NOTE	2002 \$	2001 \$
CURRENT ASSETS			
Cash assets	4	867,368	1,299,838
Receivables	5	826,767	921,535
Other financial assets	6	1,182,470	616,783
Other	7	<u>41,768</u>	<u>23,311</u>
TOTAL CURRENT ASSETS		<u>2,918,373</u>	<u>2,861,467</u>
NON CURRENT ASSETS			
Other financial assets	6	1,414,476	1,278,765
Property, plant & equipment	8	<u>96,405</u>	<u>125,806</u>
TOTAL NON CURRENT ASSETS		<u>1,510,881</u>	<u>1,404,571</u>
TOTAL ASSETS		<u>4,429,254</u>	<u>4,266,038</u>
CURRENT LIABILITIES			
Payables	9	452,316	771,673
Provisions	10	<u>174,292</u>	<u>344,048</u>
TOTAL CURRENT LIABILITIES		<u>626,608</u>	<u>1,115,721</u>
NON CURRENT LIABILITIES			
Provisions	10	<u>242,248</u>	<u>98,951</u>
TOTAL NON CURRENT LIABILITIES		<u>242,248</u>	<u>98,951</u>
TOTAL LIABILITIES		<u>868,856</u>	<u>1,214,672</u>
NET ASSETS		<u>3,560,398</u>	<u>3,051,366</u>
EQUITY			
Reserves	11	1,869,960	1,632,216
Accumulated surplus	12	<u>1,690,438</u>	<u>1,419,150</u>
TOTAL EQUITY		<u>3,560,398</u>	<u>3,051,366</u>

The accompanying notes form part of these financial statements.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2002

	Note	2002 \$	2001 \$
Cash flows from operating activities			
Receipts			
Capitation fees		4,906,897	4,427,307
Interest received		33,378	92,711
Rent received		158,776	133,098
Dividends received		19,805	-
Director fees received		28,000	34,060
Other		8,089	1,858
		<u>5,154,945</u>	<u>4,689,034</u>
Payments			
Cash payments in the course of operations		<u>(4,951,264)</u>	<u>(4,274,488)</u>
Net cash flows from operating activities	13	<u>203,681</u>	<u>414,546</u>
Cash flows from investing activities			
Payments for investments in managed funds		(626,354)	(616,783)
Payments for property, plant and equipment		<u>(9,797)</u>	<u>(60,960)</u>
Net cash flow used in investing activities		<u>(636,151)</u>	<u>(677,743)</u>
Net increase/(decrease) in cash held		(432,470)	(263,197)
Cash at the beginning of the financial year		<u>1,299,838</u>	<u>1,563,035</u>
Cash at the end of the financial year	4	<u><u>867,368</u></u>	<u><u>1,299,838</u></u>

The accompanying notes form part of these financial statements.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are a general purpose financial report prepared in accordance with applicable Accounting Standards, and Urgent Issues Group Consensus Views.

(a) Basis of Accounting

The financial statements have been prepared on the basis of historical costs and do not take into account changing money values or current valuations of non-current assets. The accounting policies are consistently applied.

(b) Consolidation

The financial statements reflect the results of operations and state of affairs of the National Level of the National Tertiary Education Industry Union. There has been no consolidation performed of individual State Divisions and Branches, as the Rules of the Union establish autonomy for each Division and Branch in respect of operating policies and decision-making. Accordingly, the criteria for consolidation as set out in Accounting Standard AAS 24 "Consolidated Financial Reports" has not been met.

(c) Revenue Recognition

(i) National Fee

National fee revenue represents the National Office percentage of contributions made by Union members. The National fee revenue is recognised in the period in which the member has made their Union contribution.

(ii) Other Revenue

Other revenue comprises revenue earned from the provision of products or services, interest on monies deposited and rentals received from investment entities. These revenues are recognised when the goods or services are provided, or when the fee in respect of services provided is receivable.

(d) Property, Plant & Equipment

Property, plant and equipment are recorded at cost. Depreciation and amortisation of property, plant, and equipment and leasehold improvements is calculated on the straight-line basis in order to write the assets off over their estimated useful lives.

(e) Leased assets

The union has not entered into any lease agreements.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D...)

(f) Employee Entitlements

(i) Wages and Salaries and Annual Leave

Liabilities for wages and salaries and annual leave are recognised, and are measured, as the amount unpaid at the reporting date at current pay rates in respect of employee's services up to the balance date. The provision has been calculated at nominal amounts based on current wage and salary rates and includes related on-costs.

(ii) Long Service Leave

The liability for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date.

Liabilities for employee entitlements, which are not expected to be settled within 12 months, are discounted using the rates attaching to national government securities at balance date, which most closely match the terms of maturity of the related liabilities.

In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates, and the economic entity's experience with staff departures. Related on-costs have also been included in the liability.

(g) Income tax

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

(h) Cash flows

For the purpose of the statement of cash flows, cash includes cash on hand and held at call with banks, net of bank overdrafts.

(i) Investments

Investments in unlisted companies and unit trusts are carried at the lower of cost and recoverable amount. Loans relating to the investments are offset against the carrying value of the investment to represent the Union's net interest in the investment.

(j) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2002

2. REVENUE	2002 \$	2001 \$
Operating Revenue:		
National Fee	4,352,113	4,151,043
Sale of Publications	4,232	896
Other Income	3,857	962
	<hr/>	<hr/>
Total Operating Revenue	4,360,202	4,152,901
Non Operating Revenue:		
Rent received	158,776	133,098
Directors fees	28,000	34,060
Dividends Received	19,805	-
Interest Received	33,378	92,711
	<hr/>	<hr/>
Total Non Operating Revenue	239,959	259,869
Total Revenue	4,600,161	4,412,770
	<hr/>	<hr/>
3. OTHER EXPENSES		
Provision for annual leave	(14,960)	31,642
Provision for long service leave	674	50,078
Depreciation expense	27,406	30,777
Amortisation expense	11,792	21,946
Auditors remuneration:		
Audit services	9,300	8,750
Other services	975	13,668
Workcover claims	1,772	1,101
Other expenses	-	501
	<hr/>	<hr/>
	36,959	158,463
	<hr/>	<hr/>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2002

4. CASH ASSETS	2002 \$	2001 \$
Cash on hand	400	400
Cash at bank	518,276	466,221
Short term deposits	348,692	833,217
	867,368	1,299,838
<p>The Executive Council has resolved that the cash and investment balances are restricted in their use as follows (Note 11):</p>		
Industrial Defence	1,868,179	1,522,996
Public Action	1,781	109,220
	1,869,960	1,632,216
<p>5. RECEIVABLES</p>		
Capitation fees in arrears	455,499	597,005
Amounts owing by Divisions and Branches	371,268	324,530
	826,767	921,535
<p>6. OTHER FINANCIAL ASSETS</p>		
Current		
Investments in Managed Funds	1,182,470	616,783
Non Current		
Shares in International Bookshop Co-operative Limited – at cost	1,000	1,000
Investment in Unit Trust – at cost:		
Federation of Education Union Unit Trust (F.E.U.)	1,522,822	1,522,822
Federation of Education Unions Pty Ltd (Trustee of F.E.U.)	1	1
	1,522,823	1,522,823
Less: Loan for Investment	(109,347)	(245,058)
	1,413,476	1,277,765
	1,414,476	1,278,765

The Investment in the F.E.U. consists of 38% of the value of issued units in the Unit Trust that owns the land and buildings at 120 Clarendon St., South Melbourne.

The loan for investments represents the National Tertiary Education Industry Union's commitment to meet future principal loan repayments of the F.E.U.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2002

	2002	2001	
	\$	\$	
7. OTHER			
Prepayments	<u>41,768</u>	<u>23,311</u>	
8. PROPERTY, PLANT & EQUIPMENT			
(i) Book value disclosure			
Office equipment, fixtures & fittings - at cost	512,544	502,747	
Accumulated depreciation	<u>(448,172)</u>	<u>(420,766)</u>	
	<u>64,372</u>	<u>81,981</u>	
Leasehold improvements - at cost	261,892	261,892	
Accumulated amortisation	<u>(229,859)</u>	<u>(218,067)</u>	
	<u>32,033</u>	<u>43,825</u>	
Net book value	<u><u>96,405</u></u>	<u><u>125,806</u></u>	
(ii) Reconciliation of the carrying amount			
	Leasehold improvements	Office equipment, fixtures & fittings	Total
Balance at beginning of period	43,825	81,981	125,806
Additions	-	9,797	9,797
Disposals	-	-	-
Depreciation and amortisation	<u>11,792</u>	<u>27,406</u>	<u>39,198</u>
Balance at end of period	<u><u>32,033</u></u>	<u><u>64,372</u></u>	<u><u>96,405</u></u>
9. PAYABLES			
Trade creditors	182,755	280,765	
Net GST Payable	67,154	325,375	
Sundry creditors	36,404	-	
Amount owed to F.E.U.	<u>166,003</u>	<u>165,533</u>	
	<u><u>452,316</u></u>	<u><u>771,673</u></u>	

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$	2001 \$
10. PROVISIONS		
Current		
Employee Entitlements:		
Provision for annual leave	157,181	172,141
Provision for long service leave	17,111	171,907
	174,292	344,048
Non Current		
Employee Entitlements:		
Provision for long service leave	242,248	98,951
	242,248	98,951
11. RESERVES		
Industrial Defence	1,868,179	1,522,996
Public Action	1,781	109,220
	1,869,960	1,632,216
Movements During the Year		
<i>Industrial Defence</i>		
Balance at Beginning of Year	1,522,996	1,073,328
Transfer to Accumulated Surplus	(200,182)	(130,608)
Transfer from Accumulated Surplus	545,365	580,276
	1,868,179	1,522,996
<i>Public Action</i>		
Balance at Beginning of Year	109,220	115,135
Transfer from/(to) Accumulated Surplus	(107,439)	(5,915)
	1,781	109,220
12. ACCUMULATED SURPLUS		
Accumulated surplus at the beginning of the financial year	1,419,150	1,462,639
Net operating surplus for the year	509,032	400,264
Transfer to and from reserves:		
Industrial Defence reserve	(345,183)	(449,668)
Public Action reserve	107,439	5,915
Accumulated surplus at the end of the financial year	1,690,438	1,419,150

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2002

13. CASH FLOW INFORMATION	2002	2001
	\$	\$
Reconciliation of net operating surplus to net cash flows from operating activities:		
Net operating surplus	509,032	400,264
Non-cash flows in operating activities:		
Depreciation	27,406	30,777
Amortisation	11,792	21,946
Provision for annual leave	(14,960)	31,642
Provision for long service leave	(11,499)	50,078
Decrease in Net Market Value of Investments	60,667	-
	<u>582,438</u>	<u>534,707</u>
Changes in assets and liabilities:		
(Increase) / Decrease in Capitation fees in arrears	141,506	(46,796)
(Increase) / Decrease in Amounts owing by Divisions and Branches	(46,738)	(119,960)
(Increase) / Decrease in Prepayments	(18,457)	(3,567)
Decrease / (Increase) in Other Debtors	-	1,743
Decrease / (Increase) in Investment in F.E.U.	(135,711)	(135,729)
Increase / (Decrease) in Trade and Sundry Creditors	(61,136)	(141,227)
Increase / (Decrease) in Net GST Payable	(258,221)	325,375
	<u>(203,681)</u>	<u>(141,227)</u>
Net cash flows from operating activities	<u>203,681</u>	<u>414,546</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2002

14. RELATED PARTY INFORMATION

Executive Officers

The names of each person holding the position of Executive Officer of the National Tertiary Education Industry Union during the financial year are:

Carolyn Allport	Grahame McCulloch	Ted Murphy	Glenis Davies
Mathew McGowan	Michael Thomson	Tracey Bunda	Tom Dunning
Valma Datson	Douglas Kelly	Doug Yorke	
Barry Hide-Parker	Tyrone Lynch	Sue Burgess	

The following persons resigned as executive officers during the year:
None

Remuneration of Executive Officers

	2002	2001
	\$	\$
Income received or due and receivable by the Executive Officers of the Union	<u>301,443</u>	<u>294,317</u>

Other Related Parties

(i) State Divisions and Branches

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

The net of the amounts receivable from and amounts payable to the State Divisions and Branches at the end of the financial year are disclosed in Note 5 to the financial statements. The amounts receivable and payable are interest free.

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

The union is a tenant of the building owned by the F.E.U. Rent and outgoings in connection with the occupancy are paid to the F.E.U. in the ordinary course of business and on normal commercial terms and conditions and at market rates.

The amount payable to the F.E.U. at the end of the financial year is disclosed in Note 6 to the financial statements. The amounts payable are interest free.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2002

15. FINANCIAL INSTRUMENTS

15.1 Terms, conditions and accounting policy

Recognised Financial Instruments	Note	Accounting Policy	Terms and Conditions
15.1.1. Financial Assets			
Bank Deposits on Call		Valued at cost. Interest recognised as it accrues.	The rate at balance date was 3.7%
Receivables		Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and interest free. Credit terms are usually up to 30 days.
Current Investments		Current investments comprise units in listed trusts. The net fair value is determined by valuing them at the current quoted market bid price	The rate at balance date was 4.3%
15.1.2. Financial Liabilities			
Investment Borrowings	Loan	Investment loan borrowings are carried at the principal amount. Interest is charged as an expense when it accrues.	Investment loan is secured by a mortgage over the assets of the FEU. Interest is fixed at 7.5% until maturity of the loan in 2003.
General Creditors		Liabilities are recognised for amounts to be paid in the future for goods received and services provided to the Company as at balance date whether or not invoices have been received.	General creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2002

15. FINANCIAL INSTRUMENTS (CONT'D...)

15.2. Interest Rate Risk

The Union's exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities at balance date are as follows:

	Note	Fixed Interest Rate Maturing in 2003 \$	2002 Floating Interest Rate \$	Non Interest Bearing \$	Carrying Amount \$	Weighted Average Interest Rate %
Financial liabilities						
Investment loan	6	109,347	-	-	109,347	7.5%
Payables	9	-	-	452,316	452,316	-
Total		109,347	-	452,316	561,663	

Financial assets						
Receivables	5	-	-	826,767	826,767	
Prepayments	7	-	-	41,768	41,768	
Investments in managed funds	6	-	1,182,470	-	1,182,470	4.3%
Cash assets	4	-	867,368	-	867,368	3.7%
Total			2,049,838	868,535	2,918,373	

	Note	Fixed Interest Rate Maturing in 2003 \$	2001 Floating Interest Rate \$	Non Interest Bearing \$	Carrying Amount \$	Weighted Average Interest Rate %
Financial liabilities						
Investment loan	6	245,067	-	-	245,067	7.5%
Payables	9	-	-	771,673	771,673	-
Total		245,067	-	771,673	1,016,740	

Financial assets						
Receivables	5	-	-	921,535	921,535	-
Prepayments	7	-	-	23,311	23,311	-
Investments in managed funds	6	-	616,783	-	616,783	4.5%
Cash assets	4	-	1,299,838	-	1,299,838	4.7%
Total		-	1,916,621	944,846	2,861,467	

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2002

15. FINANCIAL INSTRUMENTS (CONT'D...)

15.3 Net Fair Value

The aggregate fair values of financial assets and liabilities as at balance date are as follows:

2002			
	Note	Carrying Amount \$	Net Fair Value \$
On Statement of Financial Position			
Financial Liabilities			
Loan interest-bearing liabilities	6	109,347	109,347
Payables	9	452,316	452,316
Total Financial Liabilities		561,663	561,663
On Statement of Financial Position			
Financial Assets			
Receivables	5	826,767	826,767
Prepayments	7	41,768	41,768
Investments in Managed Funds	6	1,182,470	1,182,470
Cash assets	4	867,368	867,368
Total Financial Assets		2,918,373	2,918,373
2001			
	Note	Carrying Amount \$	Net Fair Value \$
On Statement of Financial Position			
Financial Liabilities			
Loan interest-bearing liabilities	6	245,067	245,067
Payables	9	771,673	771,673
Total Financial Liabilities		1,016,740	1,016,740
On Statement of Financial Position			
Financial Assets			
Receivables	5	921,535	921,535
Prepayments	7	23,311	23,311
Investments in Managed Funds	6	616,783	616,783
Cash assets	4	1,299,838	1,299,838
Total Financial Assets		2,861,467	2,861,467

The following methods and assumptions are used to determine the net fair value of financial assets and liabilities:

Creditors, Cash and Receivables & Investment Loan:	The carrying amount approximated fair value because of their short-term maturity.
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**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
NATIONAL TERTIARY EDUCATION INDUSTRY UNION
FOR THE YEAR ENDED 30 JUNE 2002**

Scope

We have audited the financial statements of National Tertiary Education Industry Union for the year ended 30 June 2002, consisting of the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and accompanying notes. The Executive Committee is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit on these financial statements in order to express an opinion on them to members of the Union.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and the Industrial Relations Act 1988, as amended, so as to present a view of the Union which is consistent with our understanding of its financial position and results of its operations.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion:

- (a) (i) there were kept by the Union satisfactory accounting records, including:
 - (a) records of the sources and nature of the income of the Union (including income from members); and
 - (b) records of the nature and purposes of the expenditure of the Union;
- (ii) the accounts and statements prepared under section 273 of the Industrial Relations Act 1988, as amended, are properly drawn up so as to fairly present;
 - (a) the financial affairs of the Union as at 30 June 2002; and
 - (b) the income and expenditure and any surplus or deficit, of the Union for the year ended 30 June 2002; and
- (b) all information and explanations that, under section 273(2) of the Industrial Relations Act 1988, as amended, officers and employees of the Union were required to provide were provided.

Wernli O'Kane

Wernli O'Kane
Chartered Accountants

Robert Wernli

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

Melbourne
20 September 2002

Advocate

JOURNAL OF THE NATIONAL TERTIARY EDUCATION UNION



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REPRESENTING EMPLOYEES IN HIGHER EDUCATION, TAFE, ADULT EDUCATION, RACGP, RESEARCH INSTITUTES & UNIVERSITY COMPANIES



National Council 2002

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STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2002

	2002	2001
	\$	\$
Income		
Income from operating activities:	<u>4,600,161</u>	<u>4,412,770</u>
Expenses		
Officers and central resources:		
Central operating costs & resources	1,363,185	1,320,325
Publications	57,790	97,146
Executive and national council	787,859	602,464
Co-operation with other organisations	119,632	115,849
Industrial relations and community relations	619,834	702,682
Policy and research	118,859	399,655
Recruitment and membership training	397,629	399,741
Finance and personnel	228,718	216,181
Decrease in Net Market Value of Investments	60,667	-
Other expenses	36,959	158,463
Total expenses	<u>4,091,129</u>	<u>4,012,506</u>
Net operating surplus	<u>509,032</u>	<u>400,264</u>
Total change in equity	<u>509,032</u>	<u>400,264</u>

STATEMENT OF CASH FLOWS

for the year ended 30 June 2002

	2002	2001
	\$	\$
Cash flows from operating activities		
Receipts		
Capitation fees	4,906,897	4,427,307
Interest received	33,378	92,711
Rent received	158,776	133,098
Dividends received	19,805	-
Director fees received	28,000	34,060
Other	8,089	1,858
	5,154,945	4,689,034
Payments		
Cash payments in the course of operations	(4,951,264)	(4,274,488)
Net cash flows from operating activities	<u>203,681</u>	<u>414,546</u>
Cash flows from investing activities		
Payments for investments in managed funds	(626,354)	(616,783)
Payments for property, plant and equipment	(9,797)	(60,960)
Net cash flow used in investing activities	<u>(636,151)</u>	<u>(677,743)</u>
Net increase/(decrease) in cash held	<u>(432,470)</u>	<u>(263,197)</u>
Cash at the beginning of the financial year	<u>1,299,838</u>	<u>1,563,035</u>
Cash at the end of the financial year	<u>867,368</u>	<u>1,299,838</u>

STATEMENT OF FINANCIAL POSITION

as at 30 June 2002

	2002	2001
	\$	\$
CURRENT ASSETS		
Cash assets	867,368	1,299,838
Receivables	826,767	921,535
Other financial assets	1,182,470	616,783
Other	41,768	23,311
Total Current Assets	<u>2,918,373</u>	<u>2,861,467</u>
NON CURRENT ASSETS		
Other financial assets	1,414,476	1,278,765
Property, plant & equipment	96,405	125,806
Total Non Current Assets	<u>1,510,881</u>	<u>1,404,571</u>
TOTAL ASSETS	<u>4,429,254</u>	<u>4,266,038</u>
CURRENT LIABILITIES		
Payables	452,316	771,673
Provisions	174,292	344,048
Total Current Liabilities	<u>626,608</u>	<u>1,115,721</u>
NON CURRENT LIABILITIES		
Provisions	242,248	98,951
Total Non Current Liabilities	<u>242,248</u>	<u>98,951</u>
TOTAL LIABILITIES	<u>868,856</u>	<u>1,214,672</u>
NET ASSETS	<u>3,560,398</u>	<u>3,051,366</u>
EQUITY		
Reserves	1,869,960	1,632,216
Accumulated surplus	1,690,438	1,419,150
TOTAL EQUITY	<u>3,560,398</u>	<u>3,051,366</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

SUMMARY OF FINANCIAL STATEMENTS for the year ended 30 June 2002

Information to be Provided to Members or Registrar

In accordance with the requirements of the Workplace Relations Act 1996 the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 274, which read as follows:

(1) Application of Information

A member of an organisation, or a registrar, may apply to the organisation for specified prescribed information in relation to the organisation.

(2) Provision of Information

An organisation shall, on application made under sub-section (1) by a member of the organisation or a registrar, make the specified information available to the member or registrar in such manner, and within such time, as is prescribed.

(3) Function of Registrar

A registrar may only make an application under sub-section (1) at the request of a member of the organisation concerned, and the registrar shall provide to a member information received because of an application made at the request of the member. Penalty: \$1,000.

Financial Statements

The Union will provide a copy of the report, accounts and statements for the years ended 30 June 2002 free of charge to any member who requests them.

Auditors' Report to the Members of the National Tertiary Education Industry Union National Council

We certify that the above summary is a fair and accurate summary of the reports, accounts and statements of the National Tertiary Education Industry Union National Council for the year ended 30 June 2002. Our Auditors' Report on the financial statements dated 20 September 2002, did not contain particulars of any deficiency, failure or shortcomings as referred to in the Workplace Relations Act 1996.

Wernli O'Kane

Robert Wernli

Wernli O'Kane
Chartered Accountants

Robert Wernli, A.C.A.
Partner

Melbourne, 7 Oct 2002
Registered Company Auditor, Registration Number: 16278

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

Statutory statement for the year ended 30 June 2002

ACCOUNTING OFFICER'S CERTIFICATE

I, Grahame McCulloch, being the officer for keeping the accounting records of the National Tertiary Education Industry Union, certify that as at 30 June 2002 the number of members of the Union was twenty five thousand three hundred and seventy five academic and general staff.

In my opinion,

1. The attached accounts show a true and fair view of the financial affairs of the Union as at 30 June 2002;
2. A record has been kept of all monies paid by, or collected from, members and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the Rules of the Union;
3. Before any expenditure was incurred by the Union, approval of the incurring of the expenditure was obtained in accordance with the Rules of the Union;
4. With regard to funds of the Union raised by compulsory levies or voluntary contributions from members or funds other than the National Fund operated in accordance with the Rules, no payments were made out of such fund for purposes other than those for which the fund was operated;
5. All loans or other financial benefits granted to persons holding office in the Union were authorised in accordance with the Rules; and
6. The register of members of the Union was maintained in accordance with the Act.



Grahame McCulloch, 7 October 2002 at Melbourne



AUSTRALIAN INDUSTRIAL REGISTRY

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7993
Fax: (03) 9654 6672

Mr. G McCulloch
General Secretary
National Tertiary Education Industry Union
PO Box 1323
SOUTH MELBOURNE VIC 3205

Dear Mr. McCulloch,

**Re: Financial documents for year ended 30 June 2002
FR2002/429**

Reference is made to the financial documents and summary of those documents of the National Tertiary Education Industry Union for the year ended 30 June 2002. The documents were lodged in the Industrial Registry on 23 December 2002.

The documents have been filed.

The following matter is referred for assistance when preparing future financial documents; no further action is requested in respect of this:

References to Act

There are a number of references in the auditor's report to the Industrial Relations Act 1988. Such references should be to the Workplace Relations Act 1996.

Would you please draw this matter to your auditor's attention.

Yours sincerely,

Larry Powell
Statutory Services Branch

9 January 2003