



Australian Government
Australian Industrial Registry

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

Dear Mr McCulloch,

**Re: Schedule 1 of the Workplace Relations Act 1996 (Schedule 1)
Financial Reports for years ended 30 June 2005 and 30 June 2006 – FR 2005/340 and
2006/261**

Receipt is acknowledged of the financial reports and concise reports of the National Tertiary Education Industry Union for years ended 30 June 2005 and 30 June 2006. The documents were lodged in the Industrial Registry on 1 May 2007.

In the course of my examination of the above financial reports I have noted various matters which have either been self-corrected or they have been repeated in relation to the financial report for the year ended 30 June 2006. Accordingly, in relation to those matters which fall into the latter category, I have limited my comments to the report for the year ended 30 June 2006. These comments are made to assist you and your auditor in the preparation of future financial reports.

The financial reports for the years ended 30 June 2005 and 30 June 2006 have been filed.

The following comments are made in relation to the full report and also the concise report.

1. Timescale Requirements

Financial reports should be prepared, audited, supplied to members, presented to a meeting and lodged in the Industrial Registry within certain timescale requirements. From the information provided, the organisation has not fully complied with such. I have, for your information, enclosed a diagrammatic summary of the financial reporting process and timelines.

The organisation should ensure that future financial returns fully satisfy the timescale requirements.

2. Accounting Officer's Certificate

There is no requirement under Schedule 1 to lodge an Accounting Officer's Certificate. These Certificates were required under the former provisions of the Act and Workplace Relations Regulations.

The following comments are made in relation to the full set of accounts.

3. Operating Report

Signatory

I note that the Operating Report has not been signed.

The Operating Report may be prepared by the Committee of Management or a designated officer (refer s254(3) of Schedule 1).

The Operating Report should be dated and signed by a person holding a position falling within the definition of "designated officer".

4. Committee of Management Statement

(a) Date of resolution

Item 26 of the Industrial Registrar's Reporting Guidelines (the Guidelines) requires that the Committee of Management's Statement must be made in accordance with such resolution as is passed by the Committee of Management. Such statement must also specify the date of passage of the resolution. I note that the date of the resolution was not provided.

(b) Signatory

Please note that under reporting Guideline 26(c) for the purposes of section 253 of Schedule 1 this statement need only be signed by a designated officer.

5. Executive Committee's Certificate

I note that the financial reports lodged include an "Executive Committee's Certificate" and an "Executive Committee's Statement". The "Executive Committee's Certificate" is couched in terms of the previous legislative requirements.

Financial reports prepared under Schedule 1 are required to include a Committee of Management Statement in accordance with s253(2)(c) and reporting guideline 25 of the Industrial Registrar's Reporting Guidelines as provided in the "Executive Committee's Statement" lodged. There is no requirement to prepare the "Executive Committee's Certificate" as lodged.

6. Recovery of Wages Activity

I note that the accounts do not provide any information in relation to any recovery of wages activity.

Where the reporting unit has not undertaken any recovery of wages activity for the financial year a statement contained in the committee of management statement to the effect that there was no recovery of wages activity for the financial year would be sufficient.

7. Auditor's Report

It is not clear from the Report whether or not the Auditor is an approved auditor. In this regard I draw your attention to the definition of approved auditor in regulation 4 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003 (the RAO Regulations). In all likelihood the Auditor is such a person however, it is our preference that this is made explicit in the Report. I recommend you draw this comment to the attention of your Auditors.

The following comment is made in relation to the concise report.

8. Concise Report

The Concise Report attached to your financial report is noted. As you know, the reporting unit can discharge its obligation to supply a full copy of its financial documents to its members with a concise report of the financial statements for the relevant financial year.

A Concise Report for the financial year may only be provided to members instead of the full report if under the rules of the reporting unit the committee of management resolves to do so. The Concise Report consists of (refer s.265(3) of Schedule 1):

- (a) a concise financial report including:
 - (i) the three financial statements as in the full report except that the notes may be omitted; and
 - (ii) disclosures of information for the preceding financial year; and
 - (iii) discussion and analysis of the principal factors affecting the financial performance, financial position and financial and investing activities of the reporting unit to assist the understanding of members; and
 - (iv) the committee of management statement required by the reporting guidelines; and
 - (v) a statement that the concise financial report has been derived from the full report and cannot be expected to provide as full an understanding of the financial performance, financial position and financial and investing activities of the reporting unit as the full report; and
 - (vi) the notice drawing attention to the additional information that must be made available to a member or a Registrar on behalf of a member on application; and
 - (vii) any other information consistent with the full report; and
- (b) the operating report for the year;
- (c) a statement by the auditor that the concise financial report has been audited and whether in the auditor's opinion it complies with the relevant Australian Accounting Standards;
- (d) in relation to the auditor's report on the full report, the following:
 - (i) whether in the auditor's opinion the general purpose financial report is presented fairly in accordance with Australian Accounting Standards, the Reporting Guidelines, or any other requirements of Chapter 8, Part 3 of Schedule 1; and
 - (ii) description of the effect (quantified if practicable) of any non-compliance; and
 - (iii) description of any defect or irregularity in the general purpose financial report; and
 - (iv) description of any deficiency, failure or shortcoming in respect of:
 - (v) the auditor's entitlement to full and free access to the financial records and information and explanations sought for purposes of the audit (s.257(2)); and
 - (vi) the obligations of the reporting unit for keeping proper financial records (s.252); and
 - (vii) a statement that the report is a concise report and that a copy of the full report and auditor's report will be sent to the member free of charge if the member asks for them.

While the organisation has complied with most of the requirements mentioned above, it should review the information it includes in such future reports in order to fully comply with s.265(3) and regulation 161 of the RAO Regulations.

9. Operating Report

The Concise Report should have included the Operating Report – refer s265(3)(b) of Schedule 1.

10. Committee of Management Statement

The Concise Report should have included the Committee of Management Statement – refer regulation 161(1)(d) of the RAO Regulations.

11. Auditor's Statement

- (a) The Auditor's Statement is couched in terms of the previous legislative requirements. Such statement should now state whether the Concise Report has been audited and whether it complies with relevant Australian Accounting standards – refer s.265(3)(c) of Schedule 1.
- (b) It is not clear from the Report whether or not the Auditor is an approved auditor – see comment in point 7.

It should be noted that in order to fully comply with the financial reporting requirements all documents required to be supplied to members should be so supplied. As the Operating Report and the Committee of Management Statement for the years ended 30 June 2005 and 30 June 2006 were not contained in the Concise Report supplied to members, I suggest, in order to satisfy the reporting requirements in this instance, that the organisation publish in its next publication a notice similar to the following.

"It has been drawn to our attention from the Industrial Registry that a copy of the Operating Report and Committee of Management Statement should have been included in the financial reports published in the Union's publication the "Advocate" published in November 2005 and October 2006. Copies of both documents are available on the organisation's web site for those members who may be interested."

It should be noted that the Industrial Registrar attaches importance to reporting units both fully satisfying the obligations under Schedule 1 and to those obligations being discharged within the requisite timeframes. Your reporting unit should therefore ensure that future financial returns fully satisfy the above obligations

Electronic Lodgment

I encourage you to take advantage of the electronic lodgment service provided by the Registry for future lodgments. You may register as a user and then lodge your documents via the Electronic Lodgment page of the AIRC website at www.airc.gov.au. Alternatively, you may send an email with the documents attached to riateam3@air.gov.au

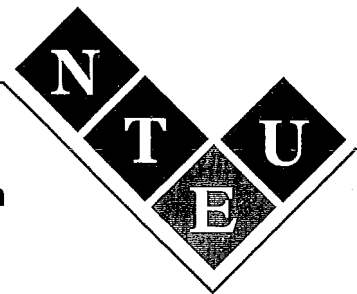
Should you wish to discuss any of the matters raised in this letter, I may be contacted on (03) 8661 7993 or by email at larry.powell@air.gov.au.

Yours sincerely



Larry Powell
Statutory Services Branch
28 May 2007

**National
Tertiary
Education
Industry
Union**



NATIONAL OFFICE

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Ref: 30/40/073

4 December 2005

Australian Industrial Registry
GPO Box 1994S
MELBOURNE 3001

National Tertiary Education Industry Union Financial Statements for 2004-2005

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 25 October 2005, a summary of the audited financial statements and Auditor's Report for the financial year 2004-2005, both authorised by the Auditor, was issued to all members of the NTEU free of charge, in the NTEU journal, the *Advocate*, in November 2005.
2. The enclosed documents include a copy of the *Advocate* and the summary and full financial statements for the financial year ending 2005. These were presented to a meeting of the Committee of Management on 11th November 2005. 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: _____

December 4th, 2005

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

EXECUTIVE COMMITTEE'S CERTIFICATE

FOR THE YEAR ENDED 30 JUNE 2005

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 2005.
2. In the opinion of the Executive, meetings of the Executive were held during the period 1 July 2004 to 30 June 2005 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 s 272 of the RAO Schedule) 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 have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations.



Grahame McCulloch



Ted Murphy

4th December 2005
at Melbourne

***NATIONAL TERTIARY
EDUCATION INDUSTRY UNION***

***Financial Statements for the year ended
30 JUNE 2005***

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

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NATIONAL TERTIARY EDUCATION INDUSTRY UNION**STATUTORY STATEMENT****FOR THE YEAR ENDED 30 JUNE 2005****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 2005 the number of members of the Union was twenty six thousand nine hundred and ninety.

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 2005.
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.
6. The register of members of the Union was maintained in accordance with the Act.



.....
Grahame McCulloch

25th October 2005
at Melbourne

NATIONAL TERTIARY EDUCATION INDUSTRY UNION**OPERATING REPORT****FOR THE YEAR ENDED 30 JUNE 2005****Principal activities**

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

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

Results of principal activities

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

Significant changes in the nature of principal activities

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

Significant changes in the Union's financial affairs

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

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

Edward Murphy, National Assistant Secretary, and NTEU Executive member is a Director of Unisuper, the industry Superannuation fund for academics and general staff in higher education institutions.

Number of members

The number of persons who, at the end of the financial year, were recorded on the Register of Members was 26,990.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2005 (continued)

Number of employees

The number of persons who were, at the end of the financial year, employees of the Union was 31.5 (including two part time employees) measured on a full time equivalent basis.

Members of the committee of management

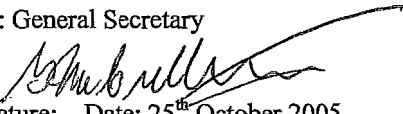
The persons who held office as members of the Committee of Management of the Union at the beginning of the financial year were:

President	Carolyn Allport
Vice President (Academic)	Lyn Bloom
Vice President (General)	Matthew McGowan
General Secretary	Grahame McCulloch
National Assistant Secretary	Ted Murphy
Committee Member	Neil Mudford
Indigenous Member	Maureen Ah Sam
Committee Member	Sean Cooney
Committee Member	Derek Corrigan
Committee Member	Tom Dunning
Committee Member	Chris Game
Committee Member	Howard Guille
Committee Member	Robert Iseman
Committee Member	Margaret Lee
Committee Member	Gregory McCarthy
Committee Member	Shane Motlap
Committee Member	Chris Mumbulla
Committee Member	Ann O'Mahony
Committee Member	Jeannie Rea
Committee Member	Tom Stewart
Committee Member	Michael Thomson
Committee Member	Carol Williams

There were no changes to the composition of the Committee of Management during the financial year.

Name: Grahame McCulloch

Title: General Secretary

Signature:  Date: 25th October 2005

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2005 (continued)

Manner of resignation – s254(2)(c)

Members may resign from the Union in accordance with Rule 11 (Resignation from Membership) which reads as follows:

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

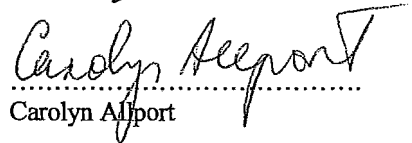
NATIONAL TERTIARY EDUCATION INDUSTRY UNION
EXECUTIVE COMMITTEE'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2005

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

1. The financial statements and notes comply with the Australian Accounting Standards;
2. The financial statements comply with the reporting guidelines of the Industrial Registrar;
3. The financial statements and notes give a true and fair view of the financial performance, financial position and cashflows of the Union for the financial year to which they relate;
4. There are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
5. During the year ended 30 June 2005 and since the end of that year:
 - i. Meetings of the Union were held in accordance with the rules of the National Tertiary Education Industry Union; and
 - ii. The financial affairs of the Union have been managed in accordance with the rules of the National Tertiary Education Industry Union; and
 - iii. The financial records of the Union have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - iv. The information sought in any request of a member of the Union or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - v. There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.



Grahame McCulloch



Carolyn Allport

25th October 2005
at Melbourne

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2005

	NOTE	2005 \$	2004 \$
Revenue from ordinary activities	2	<u>6,373,493</u>	<u>5,511,248</u>
Expenses from ordinary activities			
Officers and central resources:			
Central operating costs & resources		1,684,262	1,422,521
Publications		160,565	129,930
Executive and national council		1,263,185	827,038
Co-operation with other organisations		130,739	137,340
Industrial defence fund buildings works contribution		550,180	-
Industrial		630,627	709,487
Policy and research		397,125	518,417
Recruitment and membership training		525,331	376,689
Finance and personnel		324,729	256,119
Other expenses	3	<u>175,757</u>	<u>74,016</u>
Total expenses from ordinary activities		<u>5,842,500</u>	<u>4,451,557</u>
Net operating surplus		<u>530,993</u>	<u>1,059,691</u>
Total change in equity		<u><u>530,993</u></u>	<u><u>1,059,691</u></u>

The accompanying notes form part of these financial statements.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2005

	NOTE	2005 \$	2004 \$
CURRENT ASSETS			
Cash assets	4	1,505,372	1,282,603
Receivables	5	1,342,463	1,131,463
Other financial assets	6	2,615,652	2,212,947
Other	7	<u>66,754</u>	<u>78,222</u>
TOTAL CURRENT ASSETS		<u>5,530,241</u>	<u>4,705,235</u>
NON CURRENT ASSETS			
Other financial assets	6	1,523,824	1,540,745
Property, plant & equipment	8	<u>137,928</u>	<u>135,492</u>
TOTAL NON CURRENT ASSETS		<u>1,661,752</u>	<u>1,676,237</u>
TOTAL ASSETS		<u>7,191,993</u>	<u>6,381,472</u>
CURRENT LIABILITIES			
Payables	9	778,141	622,823
Provisions	10	<u>230,614</u>	<u>160,447</u>
TOTAL CURRENT LIABILITIES		<u>1,008,755</u>	<u>783,270</u>
NON CURRENT LIABILITIES			
Provisions	10	<u>374,770</u>	<u>320,730</u>
TOTAL NON CURRENT LIABILITIES		<u>374,770</u>	<u>320,730</u>
TOTAL LIABILITIES		<u>1,383,525</u>	<u>1,104,000</u>
NET ASSETS		<u>5,808,468</u>	<u>5,277,472</u>
EQUITY			
Reserves	11	4,208,235	3,615,857
Accumulated surplus	12	<u>1,600,233</u>	<u>1,661,614</u>
TOTAL EQUITY		<u>5,808,468</u>	<u>5,277,472</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 2005

	Note	2005 \$	2004 \$
Cash flows from operating activities			
Receipts			
Capitation fees		6,539,704	5,313,662
Interest received		47,384	65,167
Rent received		194,709	127,372
Dividends received		188,947	99,067
Director fees received		47,250	38,750
		<u>7,017,994</u>	<u>5,644,018</u>
Payments			
Cash payments in the course of operations		(5,899,913)	(4,537,333)
Net GST paid to Australian Taxation Office		(857,150)	(290,165)
		<u>(6,757,063)</u>	<u>(4,827,498)</u>
Net cash flows from operating activities	13	<u>260,931</u>	<u>816,520</u>
Cash flows from investing activities			
Payments for investments in managed funds		-	(968,536)
Payments for property, plant and equipment		(38,162)	(48,444)
		<u>(38,162)</u>	<u>(1,016,980)</u>
Net cash flow used in investing activities		<u>(38,162)</u>	<u>(1,016,980)</u>
Net (decrease)/increase in cash held		(222,769)	(200,460)
Cash at the beginning of the financial year		<u>1,282,603</u>	<u>1,483,063</u>
Cash at the end of the financial year	4	<u><u>1,505,372</u></u>	<u><u>1,282,603</u></u>

The accompanying notes form part of these financial statements.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are a general purpose financial report prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views and the requirements of the Workplace Relations Act 1996.

(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.

14. 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.

15. Revenue recognition

16. National Fee

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

17. 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 recognized when the goods or services are provided, or when the fee in respect of services provided is receivable.

18. 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.

19. Leased assets

The union has not entered into any lease agreements.

20. Allowance for doubtful debts

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

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

21. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

22. Employee benefits

23. Wages and Salaries and Annual Leave

Liabilities for wages and salaries and annual leave are recognized, 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.

24. 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.

25. 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.

26. 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.

27. 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.

28. Goods and services tax

Revenues, expenses and assets are recognized 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 recognized 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 THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

30. Financial instruments

Financial assets

Bank Deposits on Call (Note 4)

Bank Deposits on Call are valued at cost. Interest is recognized as it accrues. Total weighted average interest rate at balance date was 5.25% (2004: 5.3%)

Receivables (Note 5)

Receivables are carried at the nominal amounts due less any allowance for doubtful debts. Receivables are unsecured and credit terms are usually up to 30 days.

Current Investments (Note 6)

Current Investments comprise units in listed trusts at market bid price. Total weighted average interest rate at balance date was 5.2% (2004: 4.6%)

Financial liabilities

Payables (Note 9)

Liabilities are recognized for amounts to be paid in the future for goods or services received as at balance date, whether or not invoices have been received. Payables are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

31. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

32. Impact of adopting Australian equivalents to International Financial Reporting Standards

Following the adoption of Australian equivalents to International Financial Reporting Standards (AIFRS), the Union will prepare and present its first financial report and other accountability statements in compliance with AIFRS framework for the financial year ended 30 June 2006.

The 2006 AIFRS compliant financial report will comprise the three existing financial statements, which will be renamed, and notes accompanying these statements. The Statement of Financial Performance will be called the Operating Statement, the Statement of Financial Position becomes the Balance Sheet, and the Statement of Cash Flows becomes the Cash Flow Statement.

Under AIFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with IFRS requirements. The Union has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently where appropriate, the Union has elected to apply options and exemptions within the AIFRS that are applicable to not-for-profit entities.

With certain exemptions, the Union has recorded transactions and events as though AIFRS has always applied. This practice has extended to any comparative information included within the financial report. Most accounting policy adjustments arising from the first time adoption of AIFRS apply retrospectively and have been adjusted against the balance of accumulated funds at 1 July 2004, being the opening balance sheet date for the comparative period. The exceptions include deferral until 1 July 2005 of the application and adjustments for:

- AASB 132 Financial Instruments: Disclosure and Presentation; and
- AASB 139 Financial Instruments: Recognition and Measurement.

The comparative information for transactions affected by these standards is accounted for in accordance with existing Australian Accounting Standards.

The Union has taken the following steps in managing the transition to AIFRS and has achieved the following milestones:

- appointed specialist consultants to review the new standards and identify key issues and likely impacts on the Union; and
- arranged for appropriate communication methods to the Executive Officer to report the impact of the changes in reporting requirements and the processes to be undertaken for AIFRS.

This financial report has been prepared in accordance with current Australian Accounting Standards (Australian GAAP) and other financial reporting requirements. Following the completion of the impact analysis and evaluation of policy alternatives, the Union has concluded that there will not be a significant impact on the reported financial position and financial performance following the adoption of AIFRS. It should be noted that the actual effects of the transition to AIFRS may differ from the current disclosed due to:

- changes in facts and circumstances;
- ongoing work being undertaken by the AIFRS consultants;
- potential amendments to AIFRS and Interpretations; and
- emerging accepted practice in the interpretation and application of AIFRS and UIG Interpretations.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
2. REVENUE FROM ORDINARY ACTIVITIES		
Operating revenue:		
National fee	5,456,262	5,117,733
Equalisation fund income	212,024	-
Sale of publications	2,161	3,227
	<u>5,670,447</u>	<u>5,120,960</u>
Total operating revenue		
Non operating revenue:		
Contribution to the Public Action Fund	6,000	-
Rent received	194,709	127,372
Directors fees	47,250	38,750
Dividends received	188,947	99,067
Interest received	47,384	65,167
Increase in net market value of investments	213,756	59,932
Sundry income	5,000	-
	<u>703,046</u>	<u>390,288</u>
Total non operating revenue		
Total revenue from ordinary activities	<u>6,373,493</u>	<u>5,511,248</u>
3. OTHER EXPENSES		
Annual leave expense	70,167	2,618
Long service leave expense	54,040	23,374
Depreciation expense	22,424	24,090
Amortisation expense	13,302	14,184
Audit services	15,824	9,750
	<u>175,757</u>	<u>74,016</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
4. CASH ASSETS		
Cash on hand	400	400
Cash at bank	641,430	456,899
Short term deposits	863,542	825,304
	<u>1,505,372</u>	<u>1,282,603</u>
5. RECEIVABLES		
Capitation fees in arrears	607,220	638,718
Trade debtors	860,243	617,745
Allowance for doubtful debts	(125,000)	(125,000)
	<u>1,342,463</u>	<u>1,131,463</u>
6. OTHER FINANCIAL ASSETS		
Current		
Investments in managed funds	<u>2,615,652</u>	<u>2,212,947</u>
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.)	1,522,823	1,539,744
Federation of Education Unions Pty Ltd (Trustee of F.E.U.)	<u>1</u>	<u>1</u>
	<u>1,522,824</u>	<u>1,539,745</u>
	<u>1,523,824</u>	<u>1,540,745</u>
<p>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.</p>		
7. OTHER		
Prepayments	<u>66,754</u>	<u>78,222</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$	2004 \$		
8. PROPERTY, PLANT & EQUIPMENT				
(i) Book value disclosure				
Office equipment, fixtures & fittings – at cost	590,896	562,917		
Accumulated depreciation	<u>(519,344)</u>	<u>(496,920)</u>		
	71,552	65,997		
Leasehold improvements – at cost	306,562	306,562		
Accumulated amortization	<u>(267,282)</u>	<u>(253,980)</u>		
	39,280	52,582		
Capital works in progress	<u>27,096</u>	<u>16,913</u>		
Net book value	<u><u>137,928</u></u>	<u><u>135,492</u></u>		
(ii) Reconciliation of the carrying amount				
	Leasehold improvements	Office equipment fixtures & fittings	Capital works in progress	Total
Balance at beginning of period	52,582	65,997	16,913	135,492
Additions	-	27,979	10,183	38,162
Disposals	-	-	-	-
Depreciation and amortisation	<u>(13,302)</u>	<u>(22,424)</u>	-	<u>(35,726)</u>
Balance at end of period	<u><u>39,280</u></u>	<u><u>71,552</u></u>	<u><u>27,096</u></u>	<u><u>137,928</u></u>
9. PAYABLES				
Trade creditors	222,150	238,338		
Net GST payable	76,758	58,625		
Sundry creditors	4,709	128,920		
Amount owed to F.E.U.	255,529	196,940		
Branch & division payroll fees	<u>218,995</u>	<u>-</u>		
	<u><u>778,141</u></u>	<u><u>622,823</u></u>		

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$	2004 \$
10. PROVISIONS		
Current		
Employee benefits: annual leave	<u>230,614</u>	<u>160,447</u>
Non current		
Employee benefits: long service leave	<u>374,770</u>	<u>320,730</u>
11. RESERVES		
Industrial Defence	3,989,788	3,471,118
Public Action	6,423	144,740
Equalisation Action Fund	<u>212,024</u>	<u>-</u>
	<u>4,208,235</u>	<u>3,615,858</u>
Movements during the year		
<i>Industrial Defence</i>		
Balance at beginning of year	3,471,118	2,591,797
Transfer to accumulated surplus	(550,180)	-
Transfer from accumulated surplus	<u>1,068,848</u>	<u>879,321</u>
Balance at end of year	<u>3,989,788</u>	<u>3,471,118</u>
<i>Public Action</i>		
Balance at beginning of year	144,740	1,781
Transfer to accumulated surplus	(138,317)	(37,041)
Transfer from accumulated surplus	<u>-</u>	<u>180,000</u>
Balance at end of year	<u>6,423</u>	<u>144,740</u>
<i>Equalisation Action Fund</i>		
Balance at beginning of year	-	-
Transfer from accumulated surplus	<u>212,024</u>	<u>-</u>
Balance at end of year	<u>212,024</u>	<u>-</u>
12. ACCUMULATED SURPLUS		
Accumulated surplus at the beginning of the financial year	1,661,614	1,624,203
Net operating surplus for the year	530,993	1,059,691
Transfer to and from reserves:		
Industrial Defence reserve	(518,670)	(879,321)
Public Action reserve	138,317	(142,959)
Equalisation Action Fund	<u>(212,024)</u>	<u>-</u>
Accumulated surplus at the end of the financial year	<u>1,600,233</u>	<u>1,661,614</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

13. CASH FLOW INFORMATION	2005 \$	2004 \$
Reconciliation of net operating surplus to net cash flows from operating activities:		
Net operating surplus	530,993	1,059,691
Non-cash flows in operating activities:		
Depreciation	22,424	24,090
Amortisation	13,302	14,184
Provisions: annual leave	70,167	2,618
Provisions: long service leave	54,040	23,374
Change in net market value of investments	<u>(402,705)</u>	<u>(59,932)</u>
	288,221	1,064,025
Changes in assets and liabilities:		
(Increase) / Decrease in capitation fees in arrears	31,498	(169,142)
(Increase) / Decrease in trade debtors	(242,498)	(150,253)
(Increase) / Decrease in prepayments	11,468	(65,375)
(Increase) / Decrease in investment in F.E.U.	16,921	(16,921)
Increase / (Decrease) in trade and sundry creditors	137,188	164,778
Increase / (Decrease) in net GST payable	<u>18,133</u>	<u>(10,592)</u>
Net cash flows from operating activities	<u>(260,931)</u>	<u>816,520</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

33. 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	Paul Reser
Lyn Bloom	Michael Thomson	Tracey Bunda	Tom Dunning
Andrew Brown	Alison Edwards	Chris Mumbulla	Brian Salter-Duke
Kim Draisma	Neil Mudford	Jeanette Pierce	Tom Stewart
Michael Venning	Carol Williams	Michael Zaar	Maureen Ah Sam
Matthew McGowan	Sean Cooney	Derek Corigan	Chris Game
Howard Guille	Robert Iseman	Margaret Lee	Gregory McCarthy
Shane Motlap	Ann O'Mahony	Jeannie Rea	Tom Stewart

Remuneration of executive officers	2005	2004
	\$	\$
Income received or due and receivable by the Executive Officers of the Union	<u>393,579</u>	<u>339,516</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 THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

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	4	Valued at cost. Interest recognised as it accrues.	The rate at balance date was 5.3%
Receivables	5	Receivables are carried at nominal amounts due less any allowance for doubtful debts. An allowance 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	6	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 5.2%
15.1.2. Financial liabilities			
Payables	9	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 THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

15. FINANCIAL INSTRUMENTS (continued)

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 \$	2005 Floating Interest Rate \$	Non Interest Bearing \$	Carrying Amount \$	Weighted Average Interest Rate %
Financial assets						
Receivables	5	-	-	1,342,463	1,342,463	-
Prepayments	7	-	-	66,754	66,754	-
Investments in managed funds	6	-	2,615,652	-	2,615,652	5.2%
Cash assets	4	-	1,505,372	-	1,505,372	5.3%
Total		-	4,121,024	1,409,217	5,530,241	
Financial liabilities						
Payables	9	-	-	778,141	778,141	-
Total		-	-	778,141	778,141	
	Note	Fixed Interest Rate Maturing in 2004 \$	2004 Floating Interest Rate \$	Non Interest Bearing \$	Carrying Amount \$	Weighted Average Interest Rate %
Financial assets						
Receivables	5	-	-	1,131,463	1,131,463	-
Prepayments	7	-	-	78,222	78,222	-
Investments in managed funds	6	-	2,212,947	-	2,212,947	4.6%
Cash assets	4	-	1,282,603	-	1,282,603	5.3%
Total		-	3,495,550	1,209,685	4,705,235	
Financial liabilities						
Payables	9	-	-	622,823	622,823	-
Total		-	-	622,823	622,823	

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

15. FINANCIAL INSTRUMENTS (continued)

15.3 Net fair value

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

2005			
	Note	Total Carrying Amount as per Statement of Financial Position \$	Aggregate Net Fair Value \$
Financial assets			
Receivables	5	1,342,463	1,342,463
Prepayments	7	66,754	66,754
Investments in Managed Funds	6	2,615,652	2,615,652
Cash assets	4	1,505,372	1,505,372
Total financial assets		5,530,241	5,530,241
Financial liabilities			
Payables	9	778,141	778,141
Total financial liabilities		778,141	778,141
2004			
	Note	Total Carrying Amount as per Statement of Financial Position \$	Aggregate Net Fair Value \$
Financial assets			
Receivables	5	1,131,463	1,131,463
Prepayments	7	78,222	78,222
Investments in Managed Funds	6	2,212,947	2,212,947
Cash assets	4	1,282,603	1,282,603
Total financial assets		4,705,235	4,705,235
Financial liabilities			
Payables	9	622,823	622,823
Total financial liabilities		622,823	622,823

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

Payables, Cash and Receivables: The carrying amount approximated fair value because of their short-term maturity.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2005****16. 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 provision of subsections (1), (2) and (3) of section 272 of Schedule 1B – Registration of accountability of Organisations which read as follows:

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



INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
NATIONAL TERTIARY EDUCATION INDUSTRY UNION

Chartered Accountants
Level 5 30 Collins Street
Melbourne Vic 3000
Telephone 03 9654 0100
Fax 03 9654 0122
www.avenirgroup.com.au

Scope

The financial report and Executive Committee's responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the Executive Committee's statement of the National Tertiary Education Industry Union for the year ended 30 June 2005.

The Executive Committee of the Union is responsible for the preparation and fair presentation of the financial report in accordance with the Workplace Relation Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect frauds and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Union. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatements. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitation of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia and the Workplace Relations Act 1996, a view which is consistent with our understanding of the Union's financial position, and of its performance as represented by the results of its operations and the cash flows.

We formed our audit opinion on the basis of these procedures, which include:

- examining on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the executive Committee.

While we considered the effectiveness of management internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance of internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional requirements in Australia and Workplace Relations Act 1996 the financial position of the National Tertiary Education Industry Union as at 30 June 2005, and its financial performance and its cash flows for the year then ended.

Avenir
Chartered Accountants

Simon Bragg, A.C.A.
Partner
Registered Company Auditor, Registration Number: 291536

Melbourne
25 October 2005

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
SUMMARY OF FINANCIAL STATEMENTS
for the year ended 30 June 2005

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 provision of subsections (1), (2) and (3) of section 272 of Schedule 1B - Registration of accountability of Organisations which read as follows:

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

Financial Statements

The Union will provide a copy of the report, accounts and statements for the year ended 30 June 2005 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 2005. Our Auditors' Report on the financial statements dated 25 October 2005, did not contain particulars of any deficiency, failure or shortcomings as referred to in the *Workplace Relations Act 1996*.

Avenir, Chartered Accountants



Simon Bragg, A.C.A. Partner, Registered Company Auditor, Registration Number: 291536
 Melbourne, 25 October 2005

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
Statutory Statement for the year ended 30 June 2005
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 2005 the number of members of the Union was twenty six thousand nine hundred and ninety.

In my opinion,

1. The attached accounts show a true and fair view of the financial affairs of the Union as at 30 June 2005;
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, General Secretary
 25 October 2005 at Melbourne



STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2005

	2005 \$	2004 \$
Revenue from ordinary activities:	<u>6,373,493</u>	<u>5,511,248</u>
Expenses from ordinary activities:		
Officers and central resources:		
Central operating costs & resources	1,684,262	1,422,521
Publications	160,565	129,930
Executive and national council	1,263,185	827,038
Co-operation with other organisations	130,739	137,340
Industrial defence fund bldg wks contribution	550,180	-
Industrial	630,627	709,487
Policy and research	397,125	518,417
Recruitment and membership training	525,331	376,689
Finance and personnel	324,729	256,119
Other expenses	<u>175,757</u>	<u>74,016</u>
Total expenses from ordinary activities	<u>5,842,500</u>	<u>4,451,557</u>
Net operating surplus	<u>530,993</u>	<u>1,059,691</u>
Total change in equity	<u>530,993</u>	<u>1,059,691</u>

STATEMENT OF CASH FLOWS

for the year ended 30 June 2005

	2005 \$	2004 \$
Cash flows from operating activities		
Receipts		
Capitation fees	6,539,704	5,313,662
Interest received	47,384	65,167
Rent received	194,709	127,372
Dividends received	188,947	99,067
Director fees received	<u>47,250</u>	<u>38,750</u>
	7,017,994	5,644,018
Payments		
Cash payments in the course of operations	(5,899,913)	(4,537,333)
Net GST paid to ATO	<u>(857,150)</u>	<u>(290,165)</u>
Net cash flows from operating activities	<u>260,931</u>	<u>816,520</u>
Cash flows from investing activities		
Payments for investments in managed funds	-	(968,536)
Payments for property, plant and equipment	<u>(38,162)</u>	<u>(48,444)</u>
Net cash flow used in investing activities	<u>(38,162)</u>	<u>(1,016,980)</u>
Net increase/(decrease) in cash held	<u>(222,769)</u>	<u>(200,460)</u>
Cash at the beginning of the financial year	<u>1,282,603</u>	<u>1,483,063</u>
Cash at the end of the financial year	<u>1,505,372</u>	<u>1,282,603</u>

STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2005

	2005 \$	2004 \$
CURRENT ASSETS		
Cash assets	1,505,372	1,282,603
Receivables	1,342,463	1,131,463
Other financial assets	2,615,652	2,212,947
Other	<u>66,754</u>	<u>78,222</u>
Total Current Assets	<u>5,530,241</u>	<u>4,705,235</u>
NON CURRENT ASSETS		
Other financial assets	1,523,824	1,540,745
Property, plant & equipment	<u>137,928</u>	<u>135,492</u>
Total Non Current Assets	<u>1,661,752</u>	<u>1,676,237</u>
Total Assets	<u>7,191,993</u>	<u>6,381,472</u>
CURRENT LIABILITIES		
Payables	778,141	622,823
Employee benefits	<u>230,614</u>	<u>160,447</u>
Total Current Liabilities	<u>1,008,755</u>	<u>783,270</u>
NON CURRENT LIABILITIES		
Employee benefits	<u>374,770</u>	<u>320,730</u>
Total Non Current Liabilities	<u>374,770</u>	<u>320,730</u>
Total Liabilities	<u>1,383,525</u>	<u>1,104,000</u>
Net Assets	<u>5,808,468</u>	<u>5,277,472</u>
EQUITY		
Reserves	4,208,235	3,615,857
Accumulated surplus ¹²	<u>1,600,233</u>	<u>1,661,614</u>
TOTAL EQUITY	<u>5,808,468</u>	<u>5,277,472</u>