



Australian Government
Australian Industrial Registry

11 May 2011

Ms J Savage
Finance Unit Co-ordinator
National Tertiary Education Industry Union
PO Box 1323
SOUTH MELBOURNE VIC 3205

Dear Ms Savage,

**Re: Schedule 1 of the Workplace Relations Act 1996 (Schedule 1)
Financial Report for year ended 30 June 2007 – FR 2007/310**

Receipt is acknowledged of your advice of 20 April 2011 in relation to discrepancies between 'the full report' and concise report of the National Tertiary Education Industry Union for year ended 30 June 2007. The information contained in your advice has been noted.

The following comments concerning the above financial report and the financial reporting obligations under the relevant legislation at the time of the financial report (Schedule 1 of the Workplace Relations Act 1996) remains pertinent under the Fair Work Registered Organisations Act 2009 (RO Act). Please note that these matters are advised for assistance in the preparation of future financial reports. No further action is required in respect of the subject documents.

In light of the organisation's circumstances I propose on this occasion to file the financial report.

In future, the various elements comprising the reporting process must be done in sequence as required by the relevant legislative requirements. Future financial reports will not be filed in the absence of full compliance with all the legislative requirements.

1. Timescale Requirements

- (a) As you know the financial reports should be prepared, audited, supplied to members, presented to a meeting and lodged in the this office within certain timescale requirements.

It should be noted that the reports, accompanied by a Designated Officer's Certificate, must be lodged with this office within 14 days of its presentation to an appropriate meeting.

- (b) Financial reports should be prepared, audited, supplied to members, presented to a meeting and lodged in this office within certain timescale requirements.

From the information available, the 'full report' was presented to a Committee of Management meeting on 25 October 2007.

Given that the Committee of Management Statement, Operating Report and Auditor's Report of the 'full report' are all dated 13 November 2008 it would appear that such documents presented to the meeting were unsigned and undated.

2. **Auditor's Report**

Auditor's Opinion

The opinion expressed by the auditor in their report in relation to the 'full report' has not fully met the requirements of the Act. Section 257(5) of Schedule 1 set out the matters on which an auditor was required to state an opinion. These requirements remain under the RO Act. An acceptable wording for future financial reports would be:

In our opinion the general purpose financial report presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements of the RO Act.

3. **Concise Report**

(a) Resolution

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.

There is no indication as to whether the committee of management has passed a resolution to provide the members with such summary - refer subsection 265(2) of Schedule 1 and the RO Act.

(b) Discussion and Analysis

A concise report is required to provide, among other things, 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. I note no such information was provided.

(c) Auditor's Statement

The Auditor's Statement in relation to the concise report is couched in terms of the previous legislative requirements. Such statement should state whether the concise report has been audited and whether it complies with relevant Australian Accounting standards – refer section 265(3)(c) of Schedule 1 and the RO Act.

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 section 265(3) and regulation 161 of the RO Regulations.

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@fwa.gov.au.

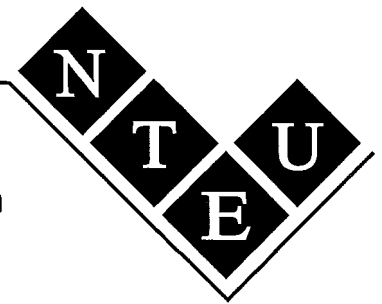
Yours sincerely,



Larry Powell
Tribunal Services and Organisations



**National
Tertiary
Education
Industry
Union**



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Web: www.nteu.org.au

Eve Anderson
Fair Work Australia
GPO Box 1994
Melbourne Victoria 3001

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Dear Eve

I refer to your Letter of the 28th March 2011 addressed to Mr Grahame McCulloch.

Re Financial Reporting for the National Tertiary Education Industry Union (NTEU) for year ended 30th June 2010, outstanding reports.

Financial report for the year ended 30 June 2010(FR2010/271) AND Exemptions for Branches and Division for the year ended 30 June 2010

Attached application dated 20th April 2010

Plus Statement from Mr Ken McAlpine below;

FWA will note that we have, out of an abundance of caution, applied for exemptions under S.271 of the *FW (RO) Act 2009* in respect of the Union's "branches" at Burdekin and Dalby Agricultural Colleges.

The Branches were created in the 1990s pursuant to the NTEU Rules. All of the relevant records indicate that they have never had any financial affairs, as is the case with the Union's Branches of such a small size, and when there was provision in the Rules for Branches to establish a Branch fee, neither of these branches did so.

Moreover, and of greater significance, these Branches have for quite a number of years had no officers because they have had no members. The Dalby Branch was last recorded definitely as having members in 2004, and the Dalby Branch had no members since at least 2002.

Our 2002 election request made under the *Workplace Relations Act* included the following passage: *No request is made for an election in respect of the Burdekin Agricultural College Branch and the Victorian College of Agriculture and Horticulture Sub-Branch of the University of Melbourne. The Union has no members at these places.*

Similarly, by 2006, the AIRC Registry granted the NTEU an exemption from conducting elections at both Dalby and Burdekin Branches in response to the following passage made in the election request for that year:

No request is made for an election in respect of the Burdekin Agricultural College Branch, Dalby Agricultural College Branch and the Victorian College of Agriculture and Horticulture Sub-Branch of the University of Melbourne. The Union has no members at these places.

Only the NTEU National Council has the power to abolish branches, and due to our velleity this has not yet occurred. Nevertheless, these Branches have been in all practical respects non-existent and notwithstanding our rules may not be Branches within the meaning of the Act. However, definite steps have been taken this year to put the abolition of these Branches on the agenda of the National Council.

Outstanding financial reports AFTRS and James Cook University Branch

The 271 applications have been sent to the NTEU JCU Branch and the NTEU NSW Division for their comments and signature.

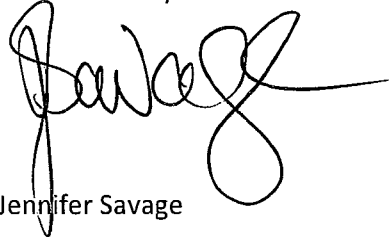
Outstanding responses- NTEU Macquarie Branch

Attached: letter regarding the audit opinion for the NTEU Macquarie Branch for years ended 30th June 2006 and 30th June 2007 PLUS Branch Committee lists for the above years.

NTEU 2006-2007 Financials lodged March 2009- information re discrepancies between concise and full report

Enclosed is a copy of the *Advocate*- the NTEU journal sent to all members. On page 38 is a Committee of Management Statement regarding the amendment.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jennifer Savage', with a long horizontal flourish extending to the right.

Jennifer Savage

NTEU National Finance Coordinator

20th April 2011



Australian Government
Australian Industrial Registry

6 May 2009

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 Report for year ended 30 June 2007 – FR 2007/310**

Receipt is acknowledged of the financial report "the full report" and concise report of the National Tertiary Education Industry Union for year ended 30 June 2007. The documents were lodged in the Industrial Registry on 23 March 2009.

In the course of my examination of the above financial report and concise report I have noted that the auditor's report, committee of management statement and operating report in relation to the concise report are all dated 25 October 2007 whilst the same documents in relation to the "full report" are all dated 13 November 2008.

Also, I note a number of differences in the disclosures contained in the income statement, balance sheet, statement of changes in equity and cash flow statement in relation to the concise report and those contained in the "full report" which in accordance with regulation 161(1)(a) of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003 should be the same "as in the full report" excluding the exceptions noted in that regulation.

I further note that the concise report was supplied to members through the organisation's journal the "Advocate" which was published in November 2007. It would appear that the members may not have been informed of the differences contained in the "full report".

Would you please advise this office what the organisation intends to do to inform its members of such matters.

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

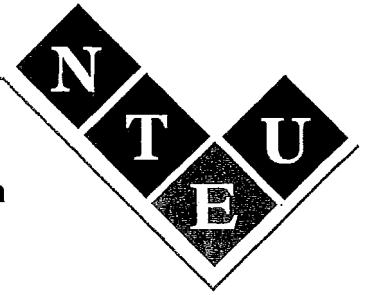
Yours sincerely

A handwritten signature in black ink, appearing to read 'L Powell'.

Larry Powell

Statutory Services Branch

**National
Tertiary
Education
Industry
Union**



Ref: 30/40/073

6th March 2009

NATIONAL OFFICE

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Australian Industrial Registry
GPO Box 1994S
MELBOURNE 3001

National Tertiary Education Industry Union Financial Statements for 2006-2007

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 25th October 2007, a summary of the audited financial statements and Auditor's Report for the financial year 2006-2007, both authorised by the Auditor, was issued to all members of the NTEU free of charge, in the NTEU journal, the *Advocate*, in November 2007
2. The enclosed documents include a copy of the *Advocate* and the summary and full financial statements for the financial year ending 2007. These were presented to a meeting of the Committee of Management on 25th October 2007. 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:

March 6th, 2009

***NATIONAL TERTIARY
EDUCATION INDUSTRY UNION***

Financial Statements for the year ended

30 JUNE 2007

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

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NATIONAL TERTIARY EDUCATION INDUSTRY UNION**OPERATING REPORT****FOR THE YEAR ENDED 30 JUNE 2007****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 were 24,808.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2007 (continued)

Number of employees

The number of persons who were, at the end of the financial year, employees of the Union was 29.3 (including three 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)	Gregory McCarthy
Vice President (General)	Jo Hibbert
General Secretary	Grahame McCulloch
National Assistant Secretary	Edward Murphy
Indigenous Member	Terry Mason
National Executive Member	Matthew McGowen
National Executive Member	Margaret Lee
National Executive Member	Neil Mudford
National Executive Member	Thomas Dunning
National Executive Member	Lynette Bloom
National Executive Member	Susan Bandias
National Executive Member	Chris Game
National Executive Member	James Doughney
National Executive Member	Shane Motlap
National Executive Member	Thomas Stewart
National Executive Member	Jeanette Pierce
National Executive Member	Andrew Bonnell
National Executive Member	Derek Corrigan
National Executive Member	Ian Hunt
National Executive Member	Jeannie Rea
National Executive Member	Kevin Poynter

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2007 (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; or
 - (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.

Name: Grahame McCulloch

Title: General Secretary

Signature:

Date:



13/11/08

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

On ___/___/___ the Committee of Management of the National Tertiary Education Industry Union passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2007:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned: and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - v. the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - vi. there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- (f) in relation to recovery of wages activity:
 - i. the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
 - ii. the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - iii. no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007 (continued)

- iv. that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
- v. no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

For Committee of Management: Graeme McCulloch

Title:

Signature:



Date:

13/11/08

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	NOTE	2007 \$	2006 \$
Revenue from ordinary activities	2	<u>11,406,902</u>	<u>7,056,766</u>
Expenses from ordinary activities			
Officers and central resources:			
Central operating costs & resources		1,689,149	1,752,181
Publications		157,054	170,365
Indigenous		199,009	174,700
Executive and national council		792,845	676,554
Co-operation with other organisations		129,579	152,793
Equalisation & adjustment fund		1,384,118	770,584
Industrial defence fund buildings works contribution		(500,000)	(550,180)
Industrial		504,596	565,845
Policy and research		403,769	497,515
Recruitment and membership training		574,993	565,432
Finance and personnel		495,280	548,044
Other expenses	3	<u>155,643</u>	<u>534,324</u>
Total expenses from ordinary activities		<u>5,986,035</u>	<u>5,858,157</u>
Net surplus	*	<u>5,420,867</u>	<u>1,198,609</u>

The accompanying notes form part of these financial statements.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

BALANCE SHEET

AS AT 30 JUNE 2007

	NOTE	2007	2006 \$
CURRENT ASSETS			
Cash assets	4	774,898	1,854,441
Receivables	5	685,405	701,164
Other financial assets	6	4,929,876	3,091,796
Other	7	<u>77,234</u>	<u>82,212</u>
TOTAL CURRENT ASSETS		<u>6,467,413</u>	<u>5,729,612</u>
NON CURRENT ASSETS			
Receivables	5	111,802	122,233
Other financial assets	6	7,090,363	3,384,184
Property, plant & equipment	8	<u>4,421,633</u>	<u>615,391</u>
TOTAL NON CURRENT ASSETS		<u>11,623,798</u>	<u>4,121,808</u>
TOTAL ASSETS		<u>18,091,211</u>	<u>9,851,420</u>
CURRENT LIABILITIES			
Payables	9	1,029,540	684,061
Provisions	10	<u>739,962</u>	<u>632,649</u>
TOTAL CURRENT LIABILITIES		<u>1,769,502</u>	<u>1,316,710</u>
NON CURRENT LIABILITIES			
Payables	9	3,831,417	1,413,235
Provisions	10	<u>62,348</u>	<u>114,398</u>
TOTAL NON CURRENT LIABILITIES		<u>3,893,765</u>	<u>1,527,633</u>
TOTAL LIABILITIES		<u>5,663,267</u>	<u>2,844,343</u>
NET ASSETS		<u>12,427,944</u>	<u>7,007,077</u>
EQUITY			
Reserves	11	7,028,923	6,044,014
Accumulated surplus	12	<u>5,399,021</u>	<u>963,063</u>
TOTAL EQUITY		<u>12,427,944</u>	<u>7,007,077</u>

The accompanying notes form part of these financial statements.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2007

	NOTE	2007 \$	2006 \$
RESERVES			
Balance at start of period		6,044,014	4,208,235
Transfers from retained earnings		<u>984,909</u>	<u>1,835,779</u>
Balance at end of the period	11	<u>7,028,923</u>	<u>6,044,014</u>
RETAINED EARNINGS			
Balance at start of period		963,063	1,600,233
Profit for the period		5,420,867	1,198,609
Transfers to reserves		<u>(984,909)</u>	<u>(1,835,779)</u>
Balance at end of period	12	<u>5,399,021</u>	<u>963,063</u>

The accompanying notes form part of these financial statements.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
Cash flows from operating activities			
Receipts			
Capitation fees	✓	8,831,739	7,989,403
Interest received		58,257	52,251
Rent received		124,173	93,735
Dividends received		-	284,669
Property fund contributions	-	300,000	-
Director fees received		63,884	44,581
	✓	9,378,053	8,464,639
Payments			
Cash payments in the course of operations	✓	(6,650,541)	(6,647,943)
Net GST paid to Australian Taxation Office		(889,191)	(935,002)
Net cash flows from operating activities	✓ 13	1,838,321	881,694
Cash flows from investing activities			
Payments for other financial assets		(1,540,153)	(1,310,180)
Payments for property, plant and equipment		(3,893,071)	(580,756)
Net cash flow used in investing activities		(5,433,224)	(1,890,936)
Cash flows from financing activities			
Proceeds from borrowings	✓	2,600,000	1,379,282
Payments of borrowings		(84,640)	(20,971)
Net cash flow used in financing activities	✓	2,515,360	1,358,311
Net (decrease)/increase in cash held		(1,079,543)	349,069
Cash at the beginning of the financial year		1,854,441	1,505,372
Cash at the end of the financial year	✓ 4	774,898	1,854,441

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 2007****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations and the requirements of the Workplace Relations Act 1996.

(a) Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Unless otherwise stated all accounting policies are consistent with those of the prior year.

In the application of Accounting Standards, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

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

(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 AASB 127 "Consolidated and Separate Financial Statements" 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.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(e) Leased assets**

The union has not entered into any lease agreements.

(f) Allowance for doubtful debts

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

(g) Employee benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and long service leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

Liabilities for employee entitlements, which are not expected to be settled within 12 months, are measured at the present value of the estimated future cash outflows to be made for those benefits.

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

(h) Income tax

No provision for Income Tax is necessary as "Trade Unions" are exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.

(i) Cash flows

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

(j) 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.

(k) 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 THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial instruments

Financial assets

Bank Deposits on Call (Note 4)

Bank Deposits on Call are valued at cost. Interest is recognised as it accrues. Total weighted average interest rate at balance date was 5.5% (2006: 5.5%)

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 5.1% (2006: 5.1%)

Financial liabilities

Payables (Note 9)

Liabilities are recognised 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.

(m) Allocation of Current and Non-Current

An Asset or a Liability shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the reporting date; or
- (d) the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities shall be classified as non current.

(o) New accounting standards and interpretations

Certain new Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2007 reporting period. The Union has not, and does not intend to, adopt the following standards early:

AASB 7 'Financial Instruments: Disclosure' and AASB 2005-10 'Amendments to Australian Accounting Standards arising from AASB 7' which are applicable to financial periods commencing on or after 1 January 2007. These Standards replace the disclosure requirements of AASB 132, and introduce the consequential amendments to other Standards. They will have no direct impact on values reported in respect of financial instruments in the Financial Statements, but will result in changes to the detail disclosed about such instruments.

AASB 101 'Presentation of Financial Statements (revised)' which is applicable to financial periods commencing on or after 1 January 2007. This Standard removes the Australian specific requirements from AASB 101. The impact is not expected to be significant.

In addition to those Accounting Standards listed above, the AASB has also released a number of other Accounting Standards and Australian Interpretations. The application of these Accounting Standards and Australian Interpretations are clearly not applicable to the Union. Consequently, they have not been specifically identified above.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
2. REVENUE FROM ORDINARY ACTIVITIES		
Operating revenue:		
National fee	5,188,552	5,664,659
Equalisation and adjustment fund	887,674	716,442
Sale of publications	5,118	560
	<u>6,081,344</u>	<u>6,381,661</u>
Total operating revenue		
Non operating revenue:		
FEU investment income	3,706,190	-
Rent received	124,173	93,735
Directors fees	63,844	44,581
Distribution Received	667,108	284,669
Interest received	58,257	52,251
Increase in net market value of investments	297,927	191,474
Property fund contributions	400,000	-
Sundry income	8,059	8,395
	<u>5,325,558</u>	<u>675,105</u>
Total non operating revenue		
Total revenue from ordinary activities	<u>11,406,902</u>	<u>7,056,766</u>
3. OTHER EXPENSES		
Annual leave expense	33,939	50,641
Long service leave expense	21,321	104,293
Depreciation expense	36,052	24,383
Amortisation expense	50,781	31,457
Audit services	13,550	13,550
Bad and doubtful debts	-	310,000
	<u>155,643</u>	<u>534,324</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
4. CASH ASSETS		
Cash on hand	400	400
Cash at bank	638,476	950,203
Short term deposits	136,022	903,838
	<u>774,898</u>	<u>1,854,441</u>
5. RECEIVABLES		
Current		
Capitation fees in arrears	424,650	543,557
Trade debtors	477,651	374,121
Allowance for doubtful debts	(225,000)	(225,000)
Loan – NTEU Vic Division	8,104	8,485
	<u>685,405</u>	<u>701,163</u>
Non current		
Loan – NTEU Vic Division	<u>111,802</u>	<u>122,233</u>
6. OTHER FINANCIAL ASSETS		
Current		
Investments in managed funds	<u>4,929,876</u>	<u>3,091,796</u>
Non current		
Shares in International Bookshop Co-operative Limited – at cost	1,000	1,000
Investments– at valuation:		
Federation of Education Union Unit Trust (F.E.U.)	7,089,362	3,383,183
Federation of Education Unions Pty Ltd (Trustee of F.E.U.)	<u>1</u>	<u>1</u>
	<u>7,089,363</u>	<u>3,383,184</u>
	<u>7,090,363</u>	<u>3,384,184</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>77,234</u>	<u>82,212</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
8. PROPERTY, PLANT & EQUIPMENT		
(i) Book value disclosure		
Building – at cost	3,475,986	-
Accumulated depreciation	-	-
	3,475,986	-
Office equipment, fixtures & fittings - at cost	670,715	253,626
Accumulated depreciation	(182,099)	(146,047)
	488,616	107,579
Leasehold improvements - at cost	539,269	539,269
Accumulated amortization	(82,238)	(31,457)
	457,031	507,812
Capital works in progress	-	-
Net book value	4,421,633	615,391

(ii) Reconciliation of the carrying amount

	Building	Office equipment fixtures & fittings	Leasehold improvements	Total
Balance at beginning of period	-	107,579	507,812	615,391
Additions	3,475,986	417,089	-	3,893,075
Disposals	-	-	-	-
Transfers	-	-	-	-
Depreciation and amortisation	-	(36,052)	(50,781)	(86,833)
Balance at end of period	3,475,986	488,616	457,031	4,421,633

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
9. PAYABLES		
Current		
Trade creditors	158,946	285,691
Net GST payable	114,009	88,042
Sundry creditors	353,789	4,709
Amount owed to F.E.U.	266,588	257,743
CBA Commercial Bill	80,000	-
Loan – Commonwealth Bank Australia	56,208	47,875
	<u>1,029,540</u>	<u>684,061</u>
Non current		
Loan – Commonwealth Bank Australia	637,527	697,829
CBA Commercial Bill	2,514,000	-
Amount owed to F.E.U.	679,890	715,406
	<u>3,831,417</u>	<u>1,413,235</u>
10. PROVISIONS		
Current		
Annual leave	301,926	267,984
Long service leave	438,036	364,665
	<u>739,962</u>	<u>632,649</u>
Non current		
Long service leave	62,348	114,398
	<u>62,348</u>	<u>114,398</u>
Total provisions	<u>802,310</u>	<u>747,047</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
11. RESERVES		
Industrial Defence Fund	6,867,878	5,504,053
Public Action Fund	6,693	6,693
Equalisation and Adjustment Fund	154,352	533,268
	<u>7,028,923</u>	<u>6,044,014</u>
Movements during the year		
<i>Industrial Defence Fund</i>		
Balance at beginning of year	5,504,053	3,989,788
Transfer to accumulated surplus	(298,192)	(529,525)
Transfer from accumulated surplus	1,662,017	2,043,790
	<u>6,867,878</u>	<u>5,504,053</u>
<i>Public Action Fund</i>		
Balance at beginning of year	6,693	6,423
Transfer to accumulated surplus	-	-
Transfer from accumulated surplus	-	270
	<u>6,693</u>	<u>6,693</u>
<i>Equalisation and Adjustment Fund</i>		
Balance at beginning of year	533,268	212,024
Transfer to accumulated surplus	(1,594,118)	(560,583)
Transfer from accumulated surplus	1,215,202	881,827
	<u>154,352</u>	<u>533,268</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
12. ACCUMULATED SURPLUS		
Accumulated surplus at the beginning of the financial year	963,063	1,600,233
Net operating surplus for the year	5,420,867	1,198,609
Transfer to and from reserves:		
Industrial Defence reserve	(1,369,824)	(1,514,265)
Public Action reserve	-	(270)
Equalisation and Adjustment reserve	384,915	(321,244)
Accumulated surplus at the end of the financial year	<u>5,399,021</u>	<u>963,063</u>
13. CASH FLOW INFORMATION		
Reconciliation of net operating surplus to net cash flows from operating activities:		
Net operating surplus	5,420,867	1,198,609
Non-cash flows in operating activities:		
Depreciation	36,052	24,383
Amortisation	50,781	31,457
Allowance for doubtful debts	-	100,000
Provisions: annual leave	33,939	37,420
Provisions: long service leave	21,324	104,243
Change in net market value of investments	(4,004,106)	(476,144)
	1,558,857	1,019,908
Changes in assets and liabilities:		
(Increase) / Decrease in receivables	26,189	549,107
(Increase) / Decrease in other assets	4,978	(2,006,536)
Increase / (Decrease) in payables	248,297	1,319,155
Net cash flows from operating activities	<u>1,838,321</u>	<u>881,694</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

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	Edward Murphy	Jo Hibbert
Matthew McGowen	Margaret Lee	Gregory McCarthy	Terry Mason
Neil Mudford	Thomas Dunning	Lynette Bloom	Susan Bandias
Chris Game	James Doughney	Shane Motlap	Thomas Stewart
Jeanette Pierce	Andrew Bonnell	Derek Corrigan	Ian Hunt
Jeannie Rea	Kevin Poynter		

Remuneration of key management personnel	2007	2006
Income received or due and receivable by key management personnel of the Union.		
Short term employee benefits	404,607	385,062
Post employment benefits	67,836	64,578

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.

(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 9 to the financial statements.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

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 5.5%.
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. Collectibility 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 5.1%.
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 Union 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 2007

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	2007		Non Interest	Carrying	Weighted
		Fixed	Floating	Bearing	Amount	Average
		Interest Rate	Interest Rate			Interest
		\$	\$	\$	\$	Rate %
Financial assets						
Receivables	5	-	-	797,207	797,207	
Prepayments	7	-	-	77,234	77,234	
Investments in managed funds	6	-	4,929,876	-	4,929,876	5.1%
Cash assets	4	-	774,898	-	774,898	2.6%
Total		-	5,704,774	874,441	6,579,215	
Financial liabilities						
Payables	9	3,831,478	693,735	235,744	4,860,957	7.2%
Total		3,831,478	693,735	235,744	4,860,957	

	Note	2006		Non Interest	Carrying	Weighted
		Fixed	Floating	Bearing	Amount	Average
		Interest Rate	Interest Rate			Interest
		\$	\$	\$	\$	Rate %
Financial assets						
Receivables	5	-	-	823,396	823,396	
Prepayments	7	-	-	82,212	82,212	
Investments in managed funds	6	-	3,091,796	-	3,091,796	5.1%
Cash assets	4	-	1,854,441	-	1,854,441	2.6%
Total		-	4,946,237	905,608	5,851,845	
Financial liabilities						
Payables	9	743,228	745,228	608,363	2,097,296	7.2%
Total		743,228	745,228	608,363	2,097,296	

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

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:

		2007	Total Carrying Amount as per Balance Sheet	Aggregate Net Fair Value
		Note	\$	\$
Financial assets				
Receivables	5		797,207	797,207
Prepayments	7		77,234	77,234
Investments in Managed Funds	6		4,929,876	4,929,876
Cash assets	4		774,898	774,898
Total financial assets			6,579,215	6,679,215
Financial liabilities				
Payables	9		4,860,957	4,860,957
Total financial liabilities			4,860,957	4,860,957
		2006	Total Carrying Amount as per Balance Sheet	Aggregate Net Fair Value
		Note	\$	\$
Financial assets				
Receivables	5		823,396	823,396
Prepayments	7		82,212	82,212
Investments in Managed Funds	6		3,091,796	3,091,796
Cash assets	4		1,854,441	1,854,441
Total financial assets			5,851,845	5,851,845
Financial liabilities				
Payables	9		2,097,296	2,097,296
Total financial liabilities			2,097,296	2,097,296

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 2007****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**

Scope

The financial report and Executive Committee's responsibility

The financial report comprises the income statement, balance sheet, cash flow statement, statement of changes in equity, 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 2007.

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

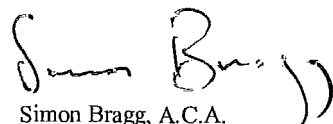
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the financial report of National Tertiary Education Industry Union presents a true and fair view in accordance with applicable Accounting Standards and other mandatory professional requirements in Australia and Workplace Relations Act 1996 the financial position of National Tertiary Education Industry Union as at 30 June 2007, and the results of its operation and its cash flows for the year then ended.



DFK Collins
Chartered Accountants



Simon Bragg, A.C.A.
Partner

Registered Company Auditor, Registration Number: 291536

13 November 2008
Melbourne

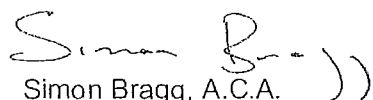


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**Auditors' Report to the Members of the National Tertiary Education Industry
Union National Council**

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 2007. Our Auditors' Report on the financial statements dated 25 October 2007, did not contain particulars of any deficiency, failure or shortcomings as referred to in the *Workplace Relations Act 1996* and complied with the Australian Accounting Standards.


DFK Collins
Chartered Accountants


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

Melbourne
25 October 2007

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

On 25/10/07 the Committee of Management of the National Tertiary Education Industry Union passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2007:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - v. the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - vi. there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- (f) in relation to recovery of wages activity:
 - i. the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
 - ii. the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007 (continued)

- iii. no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
- iv. that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
- v. no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

For Committee of Management: Grahame McCulloch

Title: General Secretary

Signature:

Date:

Grahame McCulloch
25 October 2007

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2007

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 were 24,808.

Number of employees

The number of persons who were, at the end of the financial year, employees of the Union was 29.3 (including three part time employees) measured on a full time equivalent basis.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2007 (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; or
 - (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.

Name: Grahame McCulloch

Title: General Secretary

Signature: 

Date: 25 October 2007

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	NOTE	2007 \$	2006 \$
Revenue from ordinary activities	2	<u>11,006,902</u>	<u>7,056,766</u>
Expenses from ordinary activities			
Officers and central resources:			
Central operating costs & resources		1,689,149	1,752,181
Publications		157,054	170,365
Indigenous		199,009	174,700
Executive and national council		792,845	676,554
Co-operation with other organisations		129,579	152,793
Equalisation & adjustment fund		1,384,118	770,584
Industrial defence fund buildings works contribution		(500,000)	(550,180)
Industrial		504,596	565,845
Policy and research		403,769	497,515
Recruitment and membership training		574,993	565,432
Finance and personnel		495,280	548,044
Other expenses	3	<u>155,643</u>	<u>534,324</u>
Total expenses from ordinary activities		<u>5,986,035</u>	<u>5,858,157</u>
Net surplus		<u>5,020,867</u>	<u>1,198,609</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

BALANCE SHEET

AS AT 30 JUNE 2007

	NOTE	2007	2006 \$
CURRENT ASSETS			
Cash assets	4	774,898	1,854,441
Receivables	5	685,405	701,164
Other financial assets	6	4,929,876	3,091,796
Other	7	<u>77,234</u>	<u>82,212</u>
TOTAL CURRENT ASSETS		<u>6,467,413</u>	<u>5,729,612</u>
NON CURRENT ASSETS			
Receivables	5	111,802	122,233
Other financial assets	6	7,090,363	3,384,184
Property, plant & equipment	8	<u>4,421,633</u>	<u>615,391</u>
TOTAL NON CURRENT ASSETS		<u>11,623,798</u>	<u>4,121,808</u>
TOTAL ASSETS		<u>18,091,211</u>	<u>9,851,420</u>
CURRENT LIABILITIES			
Payables	9	1,029,540	684,061
Provisions	10	<u>739,962</u>	<u>632,649</u>
TOTAL CURRENT LIABILITIES		<u>1,769,502</u>	<u>1,316,710</u>
NON CURRENT LIABILITIES			
Payables	9	4,231,417	1,413,235
Provisions	10	<u>62,348</u>	<u>114,398</u>
TOTAL NON CURRENT LIABILITIES		<u>4,293,765</u>	<u>1,527,633</u>
TOTAL LIABILITIES		<u>6,063,267</u>	<u>2,844,343</u>
NET ASSETS		<u>12,027,944</u>	<u>7,007,077</u>
EQUITY			
Reserves	11	7,028,923	6,044,014
Accumulated surplus	12	<u>4,999,021</u>	<u>963,063</u>
TOTAL EQUITY		<u>12,027,944</u>	<u>7,007,077</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2007

	NOTE	2007 \$	2006 \$
RESERVES			
Balance at start of period		6,044,014	4,208,235
Transfers from retained earnings		<u>984,909</u>	<u>1,835,779</u>
Balance at end of the period	11	<u>7,028,923</u>	<u>6,044,014</u>
RETAINED EARNINGS			
Balance at start of period		963,063	1,600,233
Profit for the period		5,020,867	1,198,609
Transfers to reserves		<u>(984,909)</u>	<u>(1,835,779)</u>
Balance at end of period	12	<u>4,999,021</u>	<u>963,063</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
Cash flows from operating activities			
Receipts			
Capitation fees		8,231,739	7,989,403
Interest received		58,257	52,251
Rent received		124,173	93,735
Dividends received		-	284,669
Director fees received		63,884	44,581
		<u>8,478,053</u>	<u>8,464,639</u>
Payments			
Cash payments in the course of operations		(6,150,541)	(6,647,943)
Net GST paid to Australian Taxation Office		(889,191)	(935,002)
		<u>(6,150,541)</u>	<u>(6,647,943)</u>
Net cash flows from operating activities	13	<u>1,438,321</u>	<u>881,694</u>
Cash flows from investing activities			
Payments for other financial assets		1,540,153	(1,310,180)
Payments for property, plant and equipment		(3,893,071)	(580,756)
		<u>(2,352,918)</u>	<u>(1,890,936)</u>
Net cash flow used in investing activities		<u>(2,352,918)</u>	<u>(1,890,936)</u>
Cash flows from financing activities			
Proceeds from borrowings		3,000,000	1,379,282
Payments of borrowings		(84,640)	(20,971)
		<u>2,915,360</u>	<u>1,358,311</u>
Net cash flow used in financing activities		<u>2,915,360</u>	<u>1,358,311</u>
Net (decrease)/increase in cash held		(1,079,543)	349,069
Cash at the beginning of the financial year		<u>1,854,441</u>	<u>1,505,372</u>
Cash at the end of the financial year	4	<u><u>774,898</u></u>	<u><u>1,854,441</u></u>

NTEU Financial Reports 2006–2007

CONCISE FINANCIAL REPORT

for the year ended 30 June 2007

The concise financial report has been derived from the full financial 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 to assist understanding of the members.

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)."

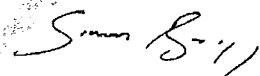
Financial Statements

The Union will provide a copy of the report, accounts and statements for the year ended 30 June 2007 free of charge to any member who requests them.

Auditors' Report to the Members of the NTEU 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 2007. Our Auditors' Report on the financial statements dated 25 October 2007, did not contain particulars of any deficiency, failure or shortcomings as referred to in the *Workplace Relations Act 1996* and complied with the Australian Accounting Standards.

DFK Collins, Chartered Accountants.



Simon Bragg, A.C.A. Partner, 25 Oct 2007 Melbourne.
Registered Company Auditor, Registration No. 291536

COMMITTEE OF MANAGEMENT

STATEMENT for the year ended 30 June 2007

On 25 October 2007 the Committee of Management of the National Tertiary Education Industry Union passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2007:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned; and

- ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - v. the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - vi. there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- (f) in relation to recovery of wages activity:
- i. the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
 - ii. the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - iii. no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - iv. that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
 - v. no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

For Committee of Management: Grahame McCulloch, General Secretary

OPERATING REPORT

for the year ended 30 June 2007

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.
- 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 were 24,808.

Number of employees

The number of persons who were, at the end of the financial year, employees of the Union was 29.3 (including three 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) Gregory McCarthy

Vice President (General) Jo Hibbert,

General Secretary Grahame McCulloch

National Assistant Secretary Edward Murphy

Indigenous Member Terry Mason

National Executive Members: Matthew McGowen, Margaret Lee, Neil Mudford, Thomas Dunning, Lynette Bloom, Susan Bandias, Chris Game, James Doughney, Shane Mottlap, Thomas Stewart, Jeannette Pierce, Andrew Bonnell, Derek Corrigan, Ian Hunt, Jeannie Rea, Kevin Poynter.

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; or
- (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.



Grahame McCulloch, General Secretary

INCOME STATEMENT

for the year ended 30 June 2007

	2007 \$	2006 \$
Revenue from ordinary activities	• 11,006,902	7,056,766
Expenses from Ordinary Activities		
Officers and central resources:		
Central operating costs & resources	1,689,149	1,752,181
Publications	157,054	170,365
Indigenous	199,009	174,700
Executive and National Council	792,845	676,554
Cooperation with other organisations	129,579	152,793
Equalisation & adjustment fund	1,384,118	770,584
Industrial defence fund buildings works contribution	(500,000)	(550,180)
Industrial	504,596	565,845
Policy and research	403,769	497,515
Recruitment and membership training	574,993	565,432
Finance and personnel	495,280	548,044
Other expenses	155,643	534,324
Total expenses from ordinary activities	5,986,035	5,858,157
NET OPERATING SURPLUS	• 5,020,867	1,198,609

BALANCE SHEET

for the year ended 30 June 2007

	2007 \$	2006 \$
CURRENT ASSETS		
Cash assets	774,898	1,854,441
Receivables	685,405	701,164
Other financial assets	4,929,876	3,091,796
Other	77,234	82,212
Total Current Assets	6,467,413	5,729,612
NON CURRENT ASSETS		
Receivables	111,802	122,233
Other financial assets	7,090,363	3,384,184
Property, plant & equipment	4,421,633	615,391
Total Non Current Assets	11,623,798	4,121,808
Total Assets	18,091,211	9,851,420
CURRENT LIABILITIES		
Payables	1,029,540	684,061
Provisions	739,962	632,649
Total Current Liabilities	1,769,502	1,316,710
NON CURRENT LIABILITIES		
Payables	• 4,231,417	1,413,235
Provisions	62,348	114,398
Total Non Current Liabilities	• 4,293,765	1,527,633
Total Liabilities	• 6,063,267	2,844,343
Net Assets	• 12,027,944	7,007,077
EQUITY		
Reserves	7,028,923	6,044,014
Accumulated surplus	• 4,999,021	963,063
Total Equity	• 12,027,944	7,007,077

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2007

	2007 \$	2006 \$
RESERVES		
Balance at start of period	6,044,014	4,208,235
Transfers from retained earnings	984,909	1,835,779
Balance at end of the period	7,028,923	6,044,014
RETAINED EARNINGS		
Balance at start of period	963,063	1,600,233
Profit for the period	• 5,020,867	1,198,609
Transfers to reserves	(984,909)	(1,835,779)
Balance at end of period	• 4,999,021	963,063

CASH FLOW STATEMENT

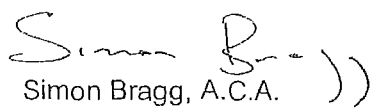
for the year ended 30 June 2007

	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Capitation fees	• 8,231,739	7,989,403
Interest received	58,257	52,251
Rent received	124,173	93,735
Dividends received		284,669
Director fees received	63,884	44,581
	8,478,053	8,464,639
Payments		
Cash payments in the course of operations	(6,150,541)	(6,647,943)
Net GST paid to Australian Taxation Office	(889,191)	(935,002)
Net cash flows from operating activities	1,438,321	881,694
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for other financial assets	1,540,153	(1,310,180)
Payments for property, plant and equipment	(3,893,071)	(580,756)
Net cash flow used in investing activities	(5,433,224)	(1,890,936)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	3,000,000	1,379,282
Payments of borrowings	(84,640)	(20,971)
Net cash flow used in financing activities	2,915,360	1,358,311
Net (decrease)/increase in cash held	(1,079,543)	349,069
Cash at the beginning of the financial year	1,854,441	1,505,372
Cash at the end of the financial year	• 4,774,898	1,854,441

**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 2007. Our Auditors' Report on the financial statements dated 25 October 2007, did not contain particulars of any deficiency, failure or shortcomings as referred to in the *Workplace Relations Act 1996* and complied with the Australian Accounting Standards.


DFK Collins
Chartered Accountants


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

Melbourne
25 October 2007

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

On ~~25~~ 19 ~~07~~ 07 the Committee of Management of the National Tertiary Education Industry Union passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2007:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned: and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - v. the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - vi. there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- (f) in relation to recovery of wages activity:
 - i. the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
 - ii. the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

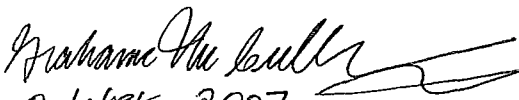
COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007 (continued)

- iii. no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
- iv. that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
- v. no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

For Committee of Management: Grahame McCulloch

Title: General Secretary

Signature: 
Date: 25 October 2007

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2007

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 were 24,808.

Number of employees

The number of persons who were, at the end of the financial year, employees of the Union was 29.3 (including three part time employees) measured on a full time equivalent basis.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2007 (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; or
 - (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.

Name: Grahame McCulloch

Title: General Secretary

Signature: 

Date: 25 October 2007

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	NOTE	2007 \$	2006 \$
Revenue from ordinary activities	2	<u>11,006,902</u>	<u>7,056,766</u>
Expenses from ordinary activities			
Officers and central resources:			
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Other expenses	3	<u>155,643</u>	<u>534,324</u>
Total expenses from ordinary activities		<u>5,986,035</u>	<u>5,858,157</u>
Net surplus		<u>5,020,867</u>	<u>1,198,609</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

BALANCE SHEET

AS AT 30 JUNE 2007

	NOTE	2007	2006 \$
CURRENT ASSETS			
Cash assets	4	774,898	1,854,441
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Other financial assets	6	4,929,876	3,091,796
Other	7	<u>77,234</u>	<u>82,212</u>
TOTAL CURRENT ASSETS		<u>6,467,413</u>	<u>5,729,612</u>
NON CURRENT ASSETS			
Receivables	5	111,802	122,233
Other financial assets	6	7,090,363	3,384,184
Property, plant & equipment	8	<u>4,421,633</u>	<u>615,391</u>
TOTAL NON CURRENT ASSETS		<u>11,623,798</u>	<u>4,121,808</u>
TOTAL ASSETS		<u>18,091,211</u>	<u>9,851,420</u>
CURRENT LIABILITIES			
Payables	9	1,029,540	684,061
Provisions	10	<u>739,962</u>	<u>632,649</u>
TOTAL CURRENT LIABILITIES		<u>1,769,502</u>	<u>1,316,710</u>
NON CURRENT LIABILITIES			
Payables	9	4,231,417	1,413,235
Provisions	10	<u>62,348</u>	<u>114,398</u>
TOTAL NON CURRENT LIABILITIES		<u>4,293,765</u>	<u>1,527,633</u>
TOTAL LIABILITIES		<u>6,063,267</u>	<u>2,844,343</u>
NET ASSETS		<u>12,027,944</u>	<u>7,007,077</u>
EQUITY			
Reserves	11	7,028,923	6,044,014
Accumulated surplus	12	<u>4,999,021</u>	<u>963,063</u>
TOTAL EQUITY		<u>12,027,944</u>	<u>7,007,077</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2007

	NOTE	2007 \$	2006 \$
RESERVES			
Balance at start of period		6,044,014	4,208,235
Transfers from retained earnings		<u>984,909</u>	<u>1,835,779</u>
Balance at end of the period	11	<u>7,028,923</u>	<u>6,044,014</u>
RETAINED EARNINGS			
Balance at start of period		963,063	1,600,233
Profit for the period		5,020,867	1,198,609
Transfers to reserves		<u>(984,909)</u>	<u>(1,835,779)</u>
Balance at end of period	12	<u>4,999,021</u>	<u>963,063</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
Cash flows from operating activities			
Receipts			
Capitation fees		8,231,739	7,989,403
Interest received		58,257	52,251
Rent received		124,173	93,735
Dividends received		-	284,669
Director fees received		63,884	44,581
		<u>8,478,053</u>	<u>8,464,639</u>
Payments			
Cash payments in the course of operations		(6,150,541)	(6,647,943)
Net GST paid to Australian Taxation Office		(889,191)	(935,002)
		<u>(6,150,541)</u>	<u>(6,647,943)</u>
Net cash flows from operating activities	13	<u>1,438,321</u>	<u>881,694</u>
Cash flows from investing activities			
Payments for other financial assets		1,540,153	(1,310,180)
Payments for property, plant and equipment		(3,893,071)	(580,756)
		<u>(2,352,918)</u>	<u>(1,890,936)</u>
Net cash flow used in investing activities		<u>(2,352,918)</u>	<u>(1,890,936)</u>
Cash flows from financing activities			
Proceeds from borrowings		3,000,000	1,379,282
Payments of borrowings		(84,640)	(20,971)
		<u>2,915,360</u>	<u>1,358,311</u>
Net cash flow used in financing activities		<u>2,915,360</u>	<u>1,358,311</u>
Net (decrease)/increase in cash held		(1,079,543)	349,069
Cash at the beginning of the financial year		<u>1,854,441</u>	<u>1,505,372</u>
Cash at the end of the financial year	4	<u><u>774,898</u></u>	<u><u>1,854,441</u></u>

NTEU Financial Reports 2006–2007

CONCISE FINANCIAL REPORT

for the year ended 30 June 2007

The concise financial report has been derived from the full financial 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 to assist understanding of the members.

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)."

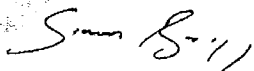
Financial Statements

The Union will provide a copy of the report, accounts and statements for the year ended 30 June 2007 free of charge to any member who requests them.

Auditors' Report to the Members of the NTEU 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 2007. Our Auditors' Report on the financial statements dated 25 October 2007, did not contain particulars of any deficiency, failure or shortcomings as referred to in the *Workplace Relations Act 1996* and complied with the Australian Accounting Standards.

DFK Collins, Chartered Accountants.



Simon Bragg, A.C.A. Partner, 25 Oct 2007 Melbourne.
Registered Company Auditor, Registration No: 291536

COMMITTEE OF MANAGEMENT

STATEMENT for the year ended 30 June 2007

On 25 October 2007 the Committee of Management of the National Tertiary Education Industry Union passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2007:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned; and

- ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - v. the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - vi. there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- (f) in relation to recovery of wages activity:
- i. the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
 - ii. the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - iii. no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - iv. that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
 - v. no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

For Committee of Management: Grahame McCulloch, General Secretary

OPERATING REPORT

for the year ended 30 June 2007

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.
- 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 were 24,808.

Number of employees

The number of persons who were, at the end of the financial year, employees of the Union was 29.3 (including three 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) Gregory McCarthy

Vice President (General) Jo Hibbert,

General Secretary Grahame McCulloch

National Assistant Secretary Edward Murphy

Indigenous Member Terry Mason

National Executive Members: Matthew McGowen, Margaret Lee, Neil Mudford, Thomas Dunning, Lynette Bloom, Susan Bandias, Chris Game, James Doughney, Shane Motlap, Thomas Stewart, Jeanette Pierce, Andrew Bonnell, Derek Corrigan, Ian Hunt, Jeannie Rea, Kevin Poynter.

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; or
 - (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.



Grahame McCulloch, General Secretary

INCOME STATEMENT

for the year ended 30 June 2007

	2007 \$	2006 \$
Revenue from ordinary activities	• 11,006,902	7,056,766
Expenses from Ordinary Activities		
Officers and central resources:		
Central operating costs & resources	1,689,149	1,752,181
Publications	157,054	170,365
Indigenous	199,009	174,700
Executive and National Council	792,845	676,554
Cooperation with other organisations	129,579	152,793
Equalisation & adjustment fund	1,384,118	770,584
Industrial defence fund buildings works contribution	(500,000)	(550,180)
Industrial	504,596	565,845
Policy and research	403,769	497,515
Recruitment and membership training	574,993	565,432
Finance and personnel	495,280	548,044
Other expenses	<u>155,643</u>	<u>534,324</u>
Total expenses from ordinary activities	<u>5,986,035</u>	<u>5,858,157</u>
NET OPERATING SURPLUS	• <u>5,020,867</u>	<u>1,198,609</u>

BALANCE SHEET

for the year ended 30 June 2007

	2007 \$	2006 \$
CURRENT ASSETS		
Cash assets	774,898	1,854,441
Receivables	685,405	701,164
Other financial assets	4,929,876	3,091,796
Other	<u>77,234</u>	<u>82,212</u>
Total Current Assets	<u>6,467,413</u>	<u>5,729,612</u>
NON CURRENT ASSETS		
Receivables	111,802	122,233
Other financial assets	7,090,363	3,384,184
Property, plant & equipment	<u>4,421,633</u>	<u>615,391</u>
Total Non Current Assets	<u>11,623,798</u>	<u>4,121,808</u>
Total Assets	<u>18,091,211</u>	<u>9,851,420</u>
CURRENT LIABILITIES		
Payables	1,029,540	684,061
Provisions	<u>739,962</u>	<u>632,649</u>
Total Current Liabilities	<u>1,769,502</u>	<u>1,316,710</u>
NON CURRENT LIABILITIES		
Payables	• 4,231,417	1,413,235
Provisions	<u>62,348</u>	<u>114,398</u>
Total Non Current Liabilities	• <u>4,293,765</u>	<u>1,527,633</u>
Total Liabilities	• <u>6,063,267</u>	<u>2,844,343</u>
Net Assets	• <u>12,027,944</u>	<u>7,007,077</u>
EQUITY		
Reserves	7,028,923	6,044,014
Accumulated surplus	• <u>4,999,021</u>	<u>963,063</u>
Total Equity	• <u>12,027,944</u>	<u>7,007,077</u>

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2007

	2007 \$	2006 \$
RESERVES		
Balance at start of period	6,044,014	4,208,235
Transfers from retained earnings	<u>984,909</u>	<u>1,835,779</u>
Balance at end of the period	<u>7,028,923</u>	<u>6,044,014</u>
RETAINED EARNINGS		
Balance at start of period	963,063	1,600,233
Profit for the period	• 5,020,867	1,198,609
Transfers to reserves	<u>(984,909)</u>	<u>(1,835,779)</u>
Balance at end of period	• <u>4,999,021</u>	<u>963,063</u>

CASH FLOW STATEMENT

for the year ended 30 June 2007

	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Capitation fees	• 8,231,739	7,989,403
Interest received	58,257	52,251
Rent received	124,173	93,735
Dividends received	-	284,669
Director fees received	<u>63,884</u>	<u>44,581</u>
	<u>8,478,053</u>	<u>8,464,639</u>
Payments		
Cash payments in the course of operations	(6,150,541)	(6,647,943)
Net GST paid to Australian Taxation Office	<u>(889,191)</u>	<u>(935,002)</u>
Net cash flows from operating activities	<u>1,438,321</u>	<u>881,694</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for other financial assets	1,540,153	(1,310,180)
Payments for property, plant and equipment	<u>(3,893,071)</u>	<u>(580,756)</u>
Net cash flow used in investing activities	<u>(5,433,224)</u>	<u>(1,890,936)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	3,000,000	1,379,282
Payments of borrowings	<u>(84,640)</u>	<u>(20,971)</u>
Net cash flow used in financing activities	<u>2,915,360</u>	<u>1,358,311</u>
Net (decrease)/increase in cash held	(1,079,543)	349,069
Cash at the beginning of the financial year	<u>1,854,441</u>	<u>1,505,372</u>
Cash at the end of the financial year	<u>4,774,898</u>	<u>1,854,441</u>