



FAIR WORK
AUSTRALIA

15 March 2010

Jenny Savage
National Finance Coordinator, National Tertiary Education Industry Union
By email: jsavage@nteu.org.au

cc: Simon Bragg
Partner, DFK Collins Chartered Accountants
By email: simon.bragg@dfkcollins.com.au

Dear Ms Savage

Re: Financial Report for the NTEU National Office (including the NTEU Fund) for the year ended 30 June 2008 (FR2008/390)

I acknowledge receipt of the financial report of the NTEU national office (including the NTEU Fund) for the year ended 30 June 2008. The documents were lodged with Fair Work Australia (FWA) on 8 January 2010. I also acknowledge receipt of the Auditor's opinions regarding the concise reports for the NTEU national office and the NTEU Fund, lodged with Fair Work Australia on 22 February 2010.

The financial report has been filed.

I have attached an addendum in which I make comments to assist you when you next prepare a financial report. Most of these comments have been raised with the NTEU previously and on a number of occasions, but they have not taken into account in the preparation of these reports. FWA aims to assist organisations in complying with their obligations under the RO Act and reporting guidelines, by providing advice about the errors identified in each the financial reports. After an organisation has been advised about errors in their financial reports, the General Manager of FWA expects full compliance with financial reporting obligations by organisations and, in normal circumstances, the financial reports would not be filed if errors have been repeated.

However it is understood that the NTEU has recently implemented major changes in the manner in which it keeps and accounts for its financial affairs and therefore areas of repeated non-compliance have been overlooked. Please note the inaccuracies raised in the following addendum. Future financial reports will not be filed unless these inaccuracies are addressed.

You are not required to take any further action in respect of the reports lodged.

If you wish to discuss any matters further, I can be contacted on 03 86617929 or via email eve.anderson@fwa.gov.au. A copy of this letter and its addendum will also be forwarded to your auditor.

Yours sincerely

Eve Anderson
Tribunal Services and Organisations
Fair Work Australia
Tel: 03 86617929

Email: eve.anderson@fwa.gov.au

Addendum to the Financial Report for the NTEU National Office (including the NTEU Fund) for the year ended 30 June 2008 (FR2008/390)

The following comments are made to assist the NTEU when it next prepares a financial report. Future financial reports will not be filed unless the inaccuracies as outlined below have been addressed.

1. Timescale requirements

As you are aware, reporting units are required to undertake their financial reporting obligations in accordance with specified timelines. As the 2008 reports have been completed, the relevant timelines are incapable of being remedied. However it should be noted that the timelines have not changed under the *Fair Work (Registered Organisations) Act 2009* (RO Act) and the preparation and lodgment of future financial reports must occur within these timelines.

In particular, [sections 253 and 254](#) of the RO Act require that a general purpose financial report (GPFR) and an operating report be prepared as soon as practicable after the end of the financial year. Further, [section 266](#) requires that the financial report be presented to a general meeting of members or a committee of management meeting within six months after the end of the financial year. In the absence of an extension of time for holding a general meeting [see [section 265\(5\)](#)] the latest possible date of lodgment with Fair Work Australia is six months and 14 days after the end of the financial year. I have attached a document which sets out the timelines in diagrammatical form.

In future years financial reports need to be prepared in sufficient time to enable presentation to a meeting within six months after the end of the financial year and lodged with Fair Work Australia no later than 14 days after that meeting. I note that the financial report for the year ended 30 June 2009 is currently overdue. However, before lodgment, the NTEU is required to address the matters raised in this correspondence (where applicable).

2. NTEU fund: whether a reporting unit

The financial report for the NTEU fund appears to treat the NTEU fund as a reporting unit. [Section 242\(3\)](#) of the RO Act specifies that '[W]here an organisation is divided into branches, each branch will be a reporting unless a certificate issued by the General Manager stating that the organisation us, for the purpose of compliance with this part, divided into reporting units on an alternative basis...is in force.' The fund itself cannot be a reporting unit as defined under the Act. I recommend that in future financial reports the NTEU national office is identified as the reporting unit.

3. Auditor's statement: whether concise report complies with Australian Accounting Standards

[Subsection 265\(3\)\(c\)](#) of the RO Act requires a concise report to consist of a statement by the auditor that the concise report complies with the relevant Australian Accounting Standards. The auditor's reports on the concise reports lodged with FWA on 22 February 2010 state that the full reports comply with the Australian Accounting Standards, but they do not make a statement regarding the concise reports. In future years please ensure that the auditor states whether the concise report complies with Australian Accounting Standards.

4. Concise report: resolution

[Subsection 265\(2\)](#) of the RO Act specifies that a concise report can only be provided to members if the committee of management has so resolved. In future years please ensure the concise report contains a statement that the NTEU committee of management has resolved to provide members with a concise report.

5. Concise report: discussion and analysis

[Regulation 161\(1\)\(c\)](#) of the *Fair Work (Registered Organisations) Regulations 2009* requires that a concise report contain a '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.' In future concise reports, please include a discussion and analysis of these factors. Paragraph 5.3.3 of AASB 1039 provides guidance as to matters to be addressed in the discussion and analysis.

6. Cash flows from reporting units

Item 15 of the [reporting guidelines](#) requires that where another reporting unit is the source of cash inflow, the cash flow should be separately disclosed in the notes and the notes should show the name of the other reporting unit. Note 15 to the financial statements of the NTEU Fund discloses the cash inflows, but does not separately disclose the cash flow from each reporting unit and the name of each reporting unit. The rules of the NTEU, as they stood at the time of these financial report, required branches to pay the national office a portion of dues collected each month. Therefore the disclosure of cash inflows from other reporting units would be expected in the national office financial report. However I cannot locate any such disclosure.

I understand that the rules of the NTEU have changed so that other reporting units no longer have funds and therefore cash flows between reporting units should not occur. However if the rules regarding financial arrangements were to alter so that cash flows between reporting units can occur, then the amount of cash flow and the name of each reporting report must be separately disclosed in the notes.

7. Operating report: list of office holders

The operating reports contain a list of office holders as at the beginning of the financial year. Please note that [regulation 159\(c\)](#) of the *Fair Work (Registered Organisations) Regulations 2009* requires operating reports to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position. Please ensure that future operating reports include the names of the office holders for the full financial year and the period each office was held.

8. Recovery of wages

The committee of management statements for both the national office and the NTEU Fund state that recovery of wages statements were prepared and audited, but no recovery of wages activity statements and no audit of these statements were lodged, as required under items 16 to 23 of the [reporting guidelines](#). If recovery of wages activity was undertaken in the financial year ending 30 June 2008 and the NTEU national office has derived revenues from this activity, then the required statements need to prepared, audited and lodged. In future years, if no recovery of wages activity (from which revenue has been derived) has been undertaken, then the committee of management statement should declare that no such activity has been undertaken.

9. Employee benefits

The [reporting guidelines](#) require the disclosure, either in the income statement or in the notes, of employee benefits to holders of office (item 11(g)) and employee benefits to other employees (item 11(h)). Note 3 to the national office financial statements does not distinguish employee benefits for office holders from benefits for other employees. In future years please ensure that employee benefits for office holders are distinguished from benefits for other employees.

The reporting guidelines also require either the balance sheet or the notes disclose any liability for employee benefits in respect of office holders and other employees (items 14(c) and 14 (d)). Note 12 to the NTEU Fund financial statements does not distinguish between provisions for office holders and other employees. In future years please ensure that provisions for office holders are distinguished from provisions for other employees.

10. Notes: revenue policy

Note 1(c) for the NTEU Fund financial statements explains the policy for the collection and accounting for national fees, which would not appear to be pertinent to revenue for the NTEU Fund. In future years please ensure the policy regarding recognition of revenue accurately reflects the policy applicable to the reporting unit.

11. References to the relevant legislation

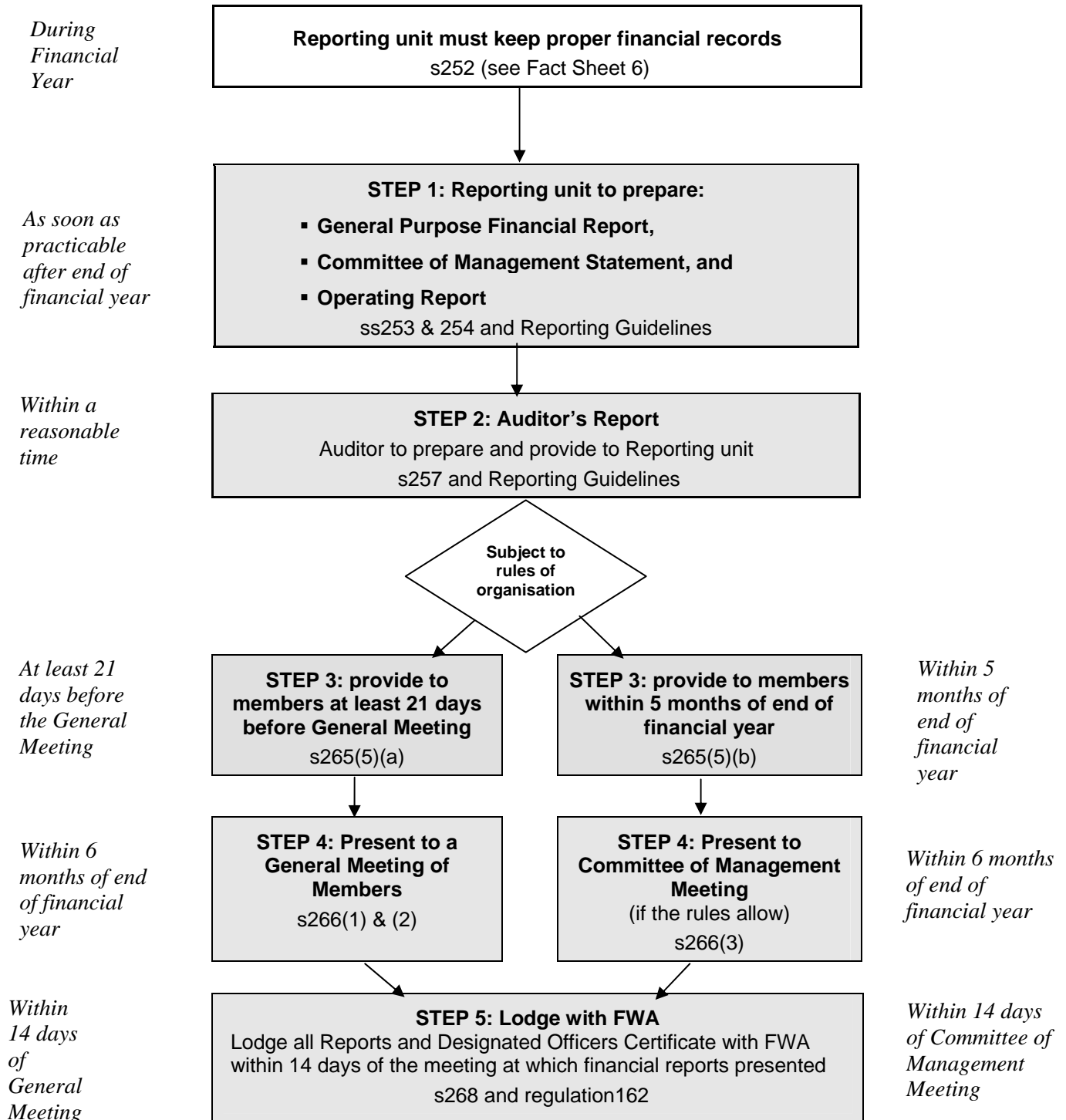
Note 1(n) in the NTEU Fund financial report does not refer to Schedule 1. Also, the section 272 statement in the concise report of the NTEU Fund and in both the full report and concise report of the national office refer to Schedule 1B. Such references should have been to Schedule 1 of the *Workplace Relations Act 1996*. Futures statements and declarations that refer to actions on or from 1 July 2009 should refer to the *Fair Work (Registered Organisations) Act 2009*.

Fair Work (Registered Organisations) Act 2009 Legislation Fact Sheet

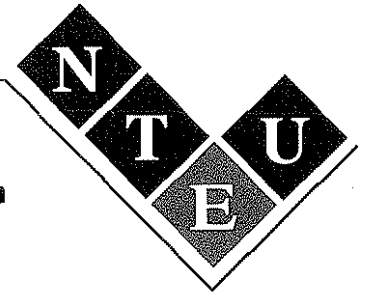
Diagrammatic Summary of Financial Reporting Time-lines

Financial reports are to be lodged with FWA within 6½ months of end of financial year by completing the steps as outlined below.

See Fact Sheet 8 for an explanation of each of these steps.



**National
Tertiary
Education
Industry
Union**



NATIONAL OFFICE

ABN 38 579 396 344
First floor, 120 Clarendon Street, South Melbourne 3205
PO Box 1323, South Melbourne 3205
Tel: (03) 9254 1910 Fax: (03) 9254 1915
Email: nteunat@nteu.org.au
Web: www.nteu.org.au

Certificate of Secretary or other Authorised Officer

s268 Fair Work (Registered Organisations) Act 2009

I, Grahame McCulloch, being General Secretary of the National Tertiary Education Industry Union, certify:

- that the documents lodged herewith are copies of the full and concise report of the National Tertiary Education Industry Union, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members in the NTEU journal 'Advocate' on 18 November 2009; and
- that the concise report was uploaded to the NTEU Website on Wednesday 4 November 2009; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 21 December 2009 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

GRAHAME McCULLOCH
General Secretary

21/12/2009

NATIONAL TERTIARY EDUCATION

INDUSTRY UNION

Financial Statements for the year ended

30 June 2008

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

CONTENTS

Operating report	1
Committee of management statement	4
Income statement	6
Balance sheet	7
Statement of changes in equity	8
Cash flow statement	9
Notes to and forming part of the financial statements	10
Auditors' report	25

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2008

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 Branch's principal activities during the financial year.

Significant changes in the union's financial affairs

Other than the transfer of assets and liabilities to the NTEU Fund as detailed in Note 1 to the financial statements, no other matters or circumstances arose during the reporting year which significantly affected the financial affairs of the Branch.

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 23,966 (2007: 24,808).

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2008 (continued)

Number of employees

The number of persons who were, at the end of the financial year, employees of the Union were 30 (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
Executive Officer (President)	Mark Probst
Executive Officer (General Secretary)	Anastasia Kotaidis

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2008 (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: 20/10/2009

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

On ~~20/10/2009~~ 20/10/2009 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 2008:

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 2008 (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: Grahame McCulloch

Title: General Secretary

Signature:



Date:

20/10/2009

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$	2007 \$
Revenue from ordinary activities	2	<u>8,171,719</u>	<u>11,406,902</u>
Expenses from ordinary activities			
Officers and central resources:			
Central operating costs & resources		1,820,785	1,689,149
Publications		151,653	157,054
Indigenous		152,716	199,009
Executive and national council		849,861	792,845
Co-operation with other organisations		129,959	129,579
Equalisation & adjustment fund		1,200,756	1,384,118
Industrial defence fund buildings works contribution		-	(500,000)
Industrial		521,980	504,596
Policy and research		452,611	403,769
Recruitment and membership training		538,532	574,993
Finance and personnel		687,894	495,280
Fair value adjustment		1,808,262	-
Other expenses	3	844,376	155,643
Transfer of net assets to NTEU Fund	1 (k)	<u>11,440,278</u>	<u>-</u>
Total expenses from ordinary activities		<u>20,599,663</u>	<u>5,986,035</u>
Net (deficit)/surplus		<u>(12,427,944)</u>	<u>5,420,867</u>

The accompanying notes form part of these financial statements.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

BALANCE SHEET

AS AT 30 JUNE 2008

	NOTE	2008 \$	2007 \$
CURRENT ASSETS			
Cash assets	4	-	774,898
Receivables	5	-	685,405
Other financial assets	6	-	4,929,876
Other	7	-	77,234
TOTAL CURRENT ASSETS		-	<u>6,467,413</u>
NON CURRENT ASSETS			
Receivables	5	-	111,802
Other financial assets	6	-	7,090,363
Property, plant & equipment	8	-	4,421,633
TOTAL NON CURRENT ASSETS		-	<u>11,623,798</u>
TOTAL ASSETS		-	<u>18,091,211</u>
CURRENT LIABILITIES			
Payables	9	-	1,029,540
Provisions	10	-	739,962
TOTAL CURRENT LIABILITIES		-	<u>1,769,502</u>
NON CURRENT LIABILITIES			
Payables	9	-	3,831,417
Provisions	10	-	62,348
TOTAL NON CURRENT LIABILITIES		-	<u>3,893,765</u>
TOTAL LIABILITIES		-	<u>5,663,267</u>
NET ASSETS		-	<u>12,427,944</u>
EQUITY			
Reserves	11	-	7,028,923
Accumulated surplus	12	-	5,399,021
TOTAL EQUITY		-	<u>12,427,944</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 2008

	NOTE	2008 \$	2007 \$
RESERVES			
Balance at start of period		7,028,923	6,044,014
Transfers from retained earnings		-	984,909
Transfers to retained earnings		<u>(7,028,923)</u>	<u>-</u>
Balance at end of the period	11	<u>-</u>	<u>7,028,923</u>
RETAINED EARNINGS			
Balance at start of period		5,399,021	963,063
(Deficit)/surplus for the period		(12,427,944)	5,420,867
Transfers to reserves		-	(984,909)
Transfers from reserves		<u>7,028,923</u>	<u>-</u>
Balance at end of period	12	<u>-</u>	<u>5,399,021</u>

The accompanying notes form part of these financial statements.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$	2007 \$
Cash flows from operating activities			
Receipts			
Capitation fees and other receipts		9,633,946	9,319,796
Interest received		71,245	58,257
		<u>9,705,191</u>	<u>9,378,053</u>
Payments			
Cash payments in the course of operations		(9,997,479)	(6,650,541)
Net GST paid to Australian Taxation Office		(398,196)	(889,191)
		<u>(10,395,675)</u>	<u>(7,539,732)</u>
Net cash flows from operating activities	13	<u>(690,484)</u>	<u>1,838,321</u>
Cash flows from investing activities			
Payments for other financial assets		-	(1,540,153)
Payments for property, plant and equipment		-	(3,893,071)
		<u>-</u>	<u>(5,433,224)</u>
Net cash flow used in investing activities		<u>-</u>	<u>(5,433,224)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	2,600,000
Payments of borrowings		(84,414)	(84,640)
		<u>(84,414)</u>	<u>2,515,360</u>
Net cash flow used in financing activities		<u>(84,414)</u>	<u>2,515,360</u>
Net (decrease) in cash held		<u>(774,898)</u>	<u>(1,079,543)</u>
Cash at the beginning of the financial year		<u>774,898</u>	<u>1,854,441</u>
Cash at the end of the financial year	4	<u>-</u>	<u>774,898</u>

The accompanying notes form part of these financial statements.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

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 accrual 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) 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.

(c) 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.

(d) Leased assets

The union has not entered into any lease agreements.

(e) 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.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) 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.

(g) Income tax

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

(h) 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.

(i) Investments

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

(j) Goods and services tax

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

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

(k) Transfer of net assets to NTEU Fund

At 30 June 2008 all assets and liabilities were transferred to the NTEU Fund, in accordance with Schedule G of the registered rules. The transfer is a non-reciprocal transfer and has been accounted for as a contribution in accordance with AASB 1004 Contributions.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

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 3.1% (2007: 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 5.36% (2007: 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.

(n) New accounting standards and interpretations

Certain new Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2008 reporting year. The Club has not, and does not intend to, adopt the following Standards early:

- Revised AASB 101 'Presentation of Financial Statements', AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101' and AASB 2007-10 'Further Amendments to Australian Accounting Standards arising from AASB 101' which are applicable to financial periods commencing on or after 1 January 2009. These changes will impact the presentation of the Financial Report but are not expected to impact the values disclosed.

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 not applicable to the entity. Consequently, they have not been specifically identified above.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2008****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(o) Impairment of Assets**

At each reporting date, the Division reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value-in-use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable value is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Division estimates the recoverable amount of the cash generating unit to which the asset belongs.

(p) Borrowing Costs

Borrowing costs directly attributed to the acquisition of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the costs of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in expenses in the period in which they are incurred.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
2. REVENUE FROM ORDINARY ACTIVITIES		
Operating revenue:		
National fee	5,594,464	5,188,552
Equalisation and adjustment fund	864,249	887,674
Sale of publications	1,596	5,118
Total operating revenue	<u>6,460,309</u>	<u>6,081,344</u>
Non operating revenue:		
FEU investment income	-	3,706,190
Rent received	224,909	124,173
Directors fees	71,581	63,844
Distribution Received	375,368	667,108
Interest received	71,245	58,257
Increase in net market value of investments	-	297,927
Fund contributions	953,486	400,000
Sundry income	14,821	8,059
Total non operating revenue	<u>1,711,410</u>	<u>5,325,558</u>
Total revenue from ordinary activities	<u>8,171,719</u>	<u>11,406,902</u>
3. OTHER EXPENSES		
Annual leave expense	24,891	33,939
Long service leave expense	149,940	21,321
FEU Expenses	349,000	-
Depreciation expense	55,930	36,052
Amortisation expense	45,703	50,781
Audit services	218,912	13,550
	<u>844,376</u>	<u>155,643</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
4. CASH ASSETS		
Cash on hand	-	400
Cash at bank	-	638,476
Short term deposits	-	136,022
	<u>-</u>	<u>774,898</u>
5. RECEIVABLES		
Current		
Capitation fees in arrears	-	424,650
Trade debtors	-	477,651
Allowance for doubtful debts	-	(225,000)
Loan – NTEU Vic Division	-	8,104
	<u>-</u>	<u>685,405</u>
Non current		
Loan – NTEU Vic Division	-	111,802
	<u>-</u>	<u>111,802</u>
6. OTHER FINANCIAL ASSETS		
Current		
Investments in managed funds	-	4,929,876
	<u>-</u>	<u>4,929,876</u>
Non current		
Shares in International Bookshop Co-operative Limited – at cost	-	1,000
Investments– at valuation:		
Federation of Education Union Unit Trust (F.E.U.)	-	7,089,362
Federation of Education Unions Pty Ltd (Trustee of F.E.U.)	-	1
	<u>-</u>	<u>7,089,363</u>
	<u>-</u>	<u>7,090,363</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	-	77,234
	<u>-</u>	<u>77,234</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007		
	\$	\$		
8. PROPERTY, PLANT & EQUIPMENT				
(i) Book value disclosure				
Building – at cost	-	3,475,986		
Accumulated depreciation	-	-		
	<u>-</u>	<u>3,475,986</u>		
Office equipment, fixtures & fittings - at cost	-	670,715		
Accumulated depreciation	-	(182,099)		
	<u>-</u>	<u>488,616</u>		
Leasehold improvements - at cost	-	539,269		
Accumulated amortisation	-	(82,238)		
	<u>-</u>	<u>457,031</u>		
Capital works in progress	-	-		
Net book value	<u>-</u>	<u>4,421,633</u>		
(ii) Reconciliation of the carrying amount				
	Building	Office equipment fixtures & fittings	Leasehold Improvement	Total
Balance at beginning of period	3,475,986	488,616	457,031	4,421,633
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation and amortisation	(4,947)	(50,983)	(45,703)	(101,633)
Transfers of assets	(3,471,039)	(437,633)	(411,328)	(4,320,000)
Balance at end of period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
9. PAYABLES		
Current		
Trade creditors	-	158,946
Net GST payable	-	114,009
Sundry creditors	-	353,789
Amount owed to F.E.U.	-	266,588
CBA Commercial Bill	-	80,000
Loan – Commonwealth Bank Australia	-	56,208
	<u>-</u>	<u>1,029,540</u>
Non current		
Loan – Commonwealth Bank Australia	-	637,527
CBA Commercial Bill	-	2,514,000
Amount owed to F.E.U.	-	679,890
	<u>-</u>	<u>3,831,417</u>
10. PROVISIONS		
Current		
Annual leave	-	301,926
Long service leave	-	438,036
	<u>-</u>	<u>739,962</u>
Non current		
Long service leave	-	62,348
	<u>-</u>	<u>62,348</u>
Total provisions	<u>-</u>	<u>802,310</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
11. RESERVES		
Industrial Defence Fund	-	6,867,878
Public Action Fund	-	6,693
Equalisation and Adjustment Fund	-	154,352
	<u>-</u>	<u>7,028,923</u>
Movements during the year		
<i>Industrial Defence Fund</i>		
Balance at beginning of year	6,867,878	5,504,053
Transfer to accumulated surplus	(6,867,878)	(298,192)
Transfer from accumulated surplus	-	1,662,017
	<u>-</u>	<u>1,662,017</u>
Balance at end of year	<u>-</u>	<u>6,867,878</u>
<i>Public Action Fund</i>		
Balance at beginning of year	6,693	6,693
Transfer to accumulated surplus	(6,693)	-
Transfer from accumulated surplus	-	-
	<u>-</u>	<u>-</u>
Balance at end of year	<u>-</u>	<u>6,693</u>
<i>Equalisation and Adjustment Fund</i>		
Balance at beginning of year	154,352	533,268
Transfer to accumulated surplus	(154,352)	(1,594,118)
Transfer from accumulated surplus	-	1,215,202
	<u>-</u>	<u>1,215,202</u>
Balance at end of year	<u>-</u>	<u>154,352</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
12. ACCUMULATED SURPLUS		
Accumulated surplus at the beginning of the financial year	5,399,021	963,063
Net operating surplus/(deficit) for the year	(12,427,944)	5,420,867
Transfer to and from reserves:		
Industrial Defence reserve	6,867,878	(1,369,824)
Public Action reserve	6,693	-
Equalisation and Adjustment reserve	154,352	384,915
	<u>-</u>	<u>5,399,021</u>
Accumulated surplus at the end of the financial year	<u>-</u>	<u>5,399,021</u>
13. CASH FLOW INFORMATION		
Reconciliation of net operating result to net cash flows from operating activities:		
Net operating (deficit)/surplus	(12,427,944)	5,420,867
Non-cash flows in operating activities:		
Depreciation & amortisation	101,633	86,833
Provisions	(802,310)	55,263
Change in net market value of investments	12,020,239	(4,004,106)
	<u>(1,108,382)</u>	<u>1,558,857</u>
Changes in assets and liabilities:		
(Increase) / decrease in receivables	797,207	26,189
(Increase) / decrease in fixed assets	4,404,410	-
(Increase) / decrease in other assets	77,234	4,978
Increase / (decrease) in payables	(4,860,953)	248,297
	<u>(690,484)</u>	<u>1,838,321</u>
Net cash flows from operating activities	<u>(690,484)</u>	<u>1,838,321</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

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 Dougfinney	Shane Motlap	Thomas Stewart
Jeanette Pierce	Andrew Bonnell	Derek Corrigan	Ian Hunt
Jeannie Rea	Kevin Poynter	Mark Probst	Anastasia Kotaidis

Remuneration of key management personnel

	2008	2007
	\$	\$
Income received or due and receivable by key management personnel of the Union.		
Short term employee benefits	416,538	404,607
Post employment benefits	70,811	67,836
	<u>487,349</u>	<u>472,443</u>

Other related parties

(i) State divisions and branches

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

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

(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.

(iii) Other related party transactions

During the year, there were no transactions with related parties which require separate disclosure other than the transfer of net assets already disclosed in Note 1.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

15. FINANCIAL INSTRUMENTS

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

(b) Categorisation of financial instruments

Financial assets	Note	Category	Carrying amount 2008	Carrying amount 2007
Cash and cash equivalents	4	N/A	-	774,898
Receivables	5	Receivables (at amortised cost)	-	797,207
Investments in managed funds	6	Recorded at net fair value	-	12,020,239
Financial liabilities				
Payables	9	Financial liabilities measured at amortised cost	-	4,860,957

(c) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The entity's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the balance sheet.

Financial assets that are either past due or impaired

Currently the entity does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

As at the reporting date, there is no event to indicate that any of the financial assets are impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the ageing only of financial assets that are past due but not impaired.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

15. FINANCIAL INSTRUMENTS (continued)

Interest rate exposure and ageing analysis of financial assets									
	Weighted average effective interest rate	Carrying amount	Interest rate exposure				Past due by		
			Fixed interest rate	Variable interest rate	Non- interest bearing	Less than 1 Month	1-3 months	3 months – 1 year	1-5 years
2008	%								
Cash assets	3.1	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-
Investments	5.4	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
2007									
Cash assets	2.6	774,898	-	774,898	-	-	-	-	-
Receivables	-	797,207	-	-	797,207	-	-	-	-
Investments	5.1	12,020,239	-	12,020,239	-	-	-	-	-
		13,592,344	-	12,795,137	797,207	-	-	-	-

(d) Liquidity risk

Liquidity risk arises when the entity is unable to meet its financial obligations as they fall due. The entity operates under the policy of settling financial obligations within 30 days and in the event of a dispute, make payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets.

The entity's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

Interest rate exposure and maturity analysis of financial liabilities									
	Weighted average effective interest rate	Nominal amount	Interest rate exposure				Maturity dates		
			Fixed interest rate	Variable interest rate	Non-interest bearing	Less than 1 month	1-3 months	3 months – 1 year	1-5 years
2008	%								
Payables	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
2007									
Payables	7.2	4,860,957	3,831,478	693,735	235,744	-	-	-	-
		4,860,957	3,831,478	693,735	235,744	-	-	-	-

NATIONAL TERTIARY EDUCATION INDUSTRY UNION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2008****15. FINANCIAL INSTRUMENTS (continued)****(e) Market risk**

The entity's exposure to market risk is primarily through interest rate risk and other price risks with no exposure to foreign currency or interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

Interest rate risk

Exposure to interest rate risk might arise primarily through the entity's cash & deposits. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments.

As the entity does not hold any financial instruments at 30 June 2008, there is no exposure to interest rate risk or other price risks.

(f) Fair value

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The entity considers that the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair values.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

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 general purpose 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 2008.

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


DFK Collins
Chartered Accountants


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

23 October 2009
Melbourne

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

CONCISE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2008

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 2008 free of charge to any member who requests them.

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

We certify that the attached Concise Financial Report 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 2008. Our Auditors' Report on the financial statements dated 23 October 2009, 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

DFK Collins
Chartered Accountants

Simon Bragg

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

Melbourne
23 October 2009

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

On ~~10~~ 10/10/2009 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 2008:

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 2008 (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:

20/10/2009

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2008

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

Other than the transfer of assets and liabilities to the NTEU Fund as detailed in Note 1 to the financial statements, no other matters or circumstances arose during the reporting year which significantly affected the financial affairs of the Branch.

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 23,966 (2007: 24,808).

Number of employees

The number of persons who were, at the end of the financial year, employees of the Union was 30 (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 2008 (continued)

Members of the committee of management

The persons who held office as members of the Committee of Management of the Union at the end 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
Executive Officer (President)	Mark Probst
Executive Officer (General Secretary)	Anastasia Kotaidis

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2008 (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 affected 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:


20/10/2009

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$	2007 \$
Revenue from ordinary activities	2	8,171,719	11,406,902
Expenses from ordinary activities			
Officers and central resources:			
Central operating costs & resources		1,820,785	1,689,149
Publications		151,653	157,054
Indigenous		152,716	199,009
Executive and national council		849,861	792,845
Co-operation with other organisations		129,959	129,579
Equalisation & adjustment fund		1,200,756	1,384,118
Industrial defence fund buildings works contribution		-	(500,000)
Industrial		521,980	504,596
Policy and research		452,611	403,769
Recruitment and membership training		538,532	574,993
Finance and personnel		687,894	495,280
Fair value adjustment		1,808,262	-
Other expenses	3	844,376	155,643
Transfer of net assets to NTEU Fund	1 (k)	11,440,278	-
Total expenses from ordinary activities		<u>20,599,663</u>	<u>5,986,035</u>
Net (deficit)/surplus		<u>(12,427,944)</u>	<u>5,420,867</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

BALANCE SHEET

AS AT 30 JUNE 2008

	NOTE	2008 \$	2007 \$
CURRENT ASSETS			
Cash assets	4	-	774,898
Receivables	5	-	685,405
Other financial assets	6	-	4,929,876
Other	7	-	77,234
TOTAL CURRENT ASSETS		<u>-</u>	<u>6,467,413</u>
NON CURRENT ASSETS			
Receivables	5	-	111,802
Other financial assets	6	-	7,090,363
Property, plant & equipment	8	-	4,421,633
TOTAL NON CURRENT ASSETS		<u>-</u>	<u>11,623,798</u>
TOTAL ASSETS		<u>-</u>	<u>18,091,211</u>
CURRENT LIABILITIES			
Payables	9	-	1,029,540
Provisions	10	-	739,962
TOTAL CURRENT LIABILITIES		<u>-</u>	<u>1,769,502</u>
NON CURRENT LIABILITIES			
Payables	9	-	3,831,417
Provisions	10	-	62,348
TOTAL NON CURRENT LIABILITIES		<u>-</u>	<u>3,893,765</u>
TOTAL LIABILITIES		<u>-</u>	<u>5,663,267</u>
NET ASSETS		<u>-</u>	<u>12,427,944</u>
EQUITY			
Reserves	11	-	7,028,923
Accumulated surplus	12	-	5,399,021
TOTAL EQUITY		<u>-</u>	<u>12,427,944</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$	2007 \$
RESERVES			
Balance at start of period		7,028,923	6,044,014
Transfers from retained earnings		-	984,909
Transfers to retained earnings		<u>(7,028,923)</u>	-
Balance at end of the period	11	<u>-</u>	<u>7,028,923</u>
RETAINED EARNINGS			
Balance at start of period		5,399,021	963,063
(Deficit)/surplus for the period		(12,427,944)	5,420,867
Transfers to reserves		-	(984,909)
Transfers from reserves		<u>7,028,923</u>	-
Balance at end of period	12	<u>-</u>	<u>5,399,021</u>

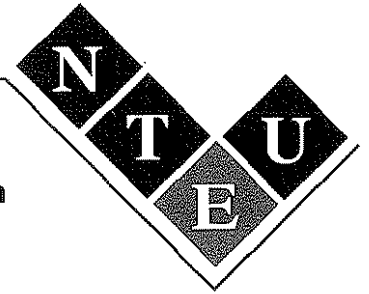
NATIONAL TERTIARY EDUCATION INDUSTRY UNION

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$	2007 \$
Cash flows from operating activities			
Receipts			
Capitation fees and other receipts		9,633,946	9,319,796
Interest received		71,245	58,257
		<u>9,705,191</u>	<u>9,378,053</u>
Payments			
Cash payments in the course of operations		(9,997,479)	(6,650,541)
Net GST paid to Australian Taxation Office		(398,196)	(889,191)
		<u>(10,395,675)</u>	<u>(7,539,732)</u>
Net cash flows from operating activities	13	<u>(690,484)</u>	<u>1,838,321</u>
Cash flows from investing activities			
Payments for other financial assets		-	(1,540,153)
Payments for property, plant and equipment		-	(3,893,071)
		<u>-</u>	<u>(5,433,224)</u>
Net cash flow used in investing activities		<u>-</u>	<u>(5,433,224)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	2,600,000
Payments of borrowings		(84,414)	(84,640)
		<u>(84,414)</u>	<u>2,515,360</u>
Net cash flow used in financing activities		<u>(84,414)</u>	<u>2,515,360</u>
Net (decrease) in cash held		(774,898)	(1,079,543)
Cash at the beginning of the financial year		774,898	1,854,441
Cash at the end of the financial year	4	<u>-</u>	<u>774,898</u>

**National
Tertiary
Education
Industry
Union**



NATIONAL OFFICE

ABN 38 579 396 344
First floor, 120 Clarendon Street, South Melbourne 3205
PO Box 1323, South Melbourne 3205
Tel: (03) 9254 1910 Fax: (03) 9254 1915
Email: nteunat@nteu.org.au
Web: www.nteu.org.au

Certificate of Secretary or other Authorised Officer

s268 Fair Work (Registered Organisations) Act 2009

I, Grahame McCulloch, being General Secretary of the National Tertiary Education Industry Union, certify:

- that the documents lodged herewith are copies of the full and concise report of the NTEU Fund, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members in the NTEU journal 'Advocate' on 18 November 2009; and
- that the concise report was uploaded to the NTEU Website on Wednesday 4 November 2009; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 21 December 2009 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

GRAHAME McCULLOCH
General Secretary

21/12/2009

NTEU FUND

Financial Statements for the year ended

30 JUNE 2008

NTEU FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

CONTENTS

Operating report	1
Committee of management statement	4
Income statement	6
Balance sheet	7
Statement of changes in equity	8
Cash flow statement	9
Notes to and forming part of the financial statements	10
Auditors' report	27

NTEU FUND
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2008

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

Other than the transfer of assets and liabilities to the NTEU Fund from NTEU Branches and Divisions as detailed in Note 1 to the financial statements, no other matters or circumstances arose during the reporting year which significantly affected the financial affairs of the Entity.

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 of the entities included in the NTEU Fund was 23,966 (2007: nil).

NTEU FUND
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2008 (continued)

Number of employees

The number of persons who were, at the end of the financial year, employees of the Union was 112.1 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	Lyn 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
Executive Officer (President)	Mark Probst
Executive Officer (General Secretary)	Anastasia Kotaidis

**NTEU FUND
OPERATING REPORT**

FOR THE YEAR ENDED 30 JUNE 2008 (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:

20/10/2009

NTEU FUND
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

On 20/10/2009 the Committee of Management of the NTEU Fund passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2008:

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

NTEU FUND

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008 (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: General Secretary

Signature: 

Date: 20/10/2009

NTEU FUND
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	ECONOMIC ENTITY		CHIEF ENTITY	
		2008 \$	2007 \$	2008 \$	2007 \$
REVENUE FROM ORDINARY ACTIVITIES	4, 1(p)	17,680,969	-	17,680,969	-
EXPENSES		-	-	-	-
SURPLUS FOR THE YEAR		17,680,969	-	17,680,969	-

The accompanying notes form part of these financial statements.

NTEU FUND
BALANCE SHEET
AS AT 30 JUNE 2008

	Note	ECONOMIC ENTITY		CHIEF ENTITY	
		2008 \$	2007 \$	2008 \$	2007 \$
ASSETS					
Cash and cash equivalents	5	6,487,082	-	6,254,766	-
Trade and other receivables	6	845,657	-	196,358	-
Other financial assets	7	4,427,854	-	4,427,854	-
Other assets	8	158,504	-	133,060	-
TOTAL CURRENT ASSETS		11,919,097	-	11,012,038	-
NON-CURRENT ASSETS					
Other financial assets	7	-	-	9,185,473	-
Property, plant and equipment	9	20,725,498	-	4,904,175	-
TOTAL NON-CURRENT ASSETS		20,725,498	-	14,089,648	-
TOTAL ASSETS		32,644,595	-	25,101,686	-
LIABILITIES					
Trade and other payables	10	4,958,157	-	1,619,195	-
Financial liabilities	11	582,962	-	488,625	-
Employee benefits	12	1,314,723	-	1,314,723	-
TOTAL CURRENT LIABILITIES		6,855,842	-	3,422,543	-
NON-CURRENT LIABILITIES					
Trade and other payables	10	10,599	-	10,599	-
Financial liabilities	11	4,438,817	-	2,730,226	-
Employee benefits	12	1,257,349	-	1,257,349	-
TOTAL NON-CURRENT LIABILITIES		5,706,765	-	3,998,174	-
TOTAL LIABILITIES		12,562,607	-	7,420,717	-
NET ASSETS		20,081,988	-	17,680,969	-
EQUITY					
Reserves	13	11,269,826	-	11,269,826	-
Retained surplus	14	6,411,143	-	6,411,143	-
Minority interest		2,401,019	-	-	-
TOTAL EQUITY		20,081,988	-	17,680,969	-

The accompanying notes form part of these financial statements.

NTEU FUND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Reserves \$	Retained Surplus \$	Minority Interest \$	Total Equity \$
ECONOMIC ENTITY				
At 1 July 2006	-	-	-	-
Surplus for the year	-	-	-	-
At 30 June 2007	-	-	-	-
Surplus for the year	-	17,680,969	-	17,680,969
Transfers from reserves	11,269,826	-	-	11,269,826
Transfers to reserves	-	(11,269,826)	-	(11,269,826)
Minority interest upon consolidation	-	-	2,401,019	2,401,019
At 30 June 2008	11,269,826	6,411,143	2,401,019	20,081,988
CHIEF ENTITY				
At 1 July 2006	-	-	-	-
Surplus for the year	-	-	-	-
At 30 June 2007	-	-	-	-
Surplus for the year	-	17,680,969	-	17,680,969
Transfers from reserves	11,269,826	-	-	11,269,826
Transfers to reserves	-	(11,269,826)	-	(11,269,826)
At 30 June 2008	11,269,826	6,411,143	-	17,680,969

The accompanying notes form part of these financial statements.

NTEU FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	ECONOMIC ENTITY		CHIEF ENTITY	
		2008 \$	2007 \$	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
Contribution of cash and cash equivalents		6,487,082	-	6,254,766	-
Net cash provided by operating activities	15	6,487,082	-	6,254,766	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Net cash used in investing activities		-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Net cash used in investing activities		-	-	-	-
Net increase in cash & cash equivalents held		6,487,082	-	6,254,766	-
Cash and cash equivalents at beginning of year		-	-	-	-
Cash and cash equivalents at end of year	5	6,487,082	-	6,254,766	-

The accompanying notes form part of these financial statements.

NTEU FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 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 consolidated accounts reflect the results of operations and state of affairs of the National Tertiary Education Union, its divisions and branches and of its controlled entity. The details of the controlled entity are contained in Note 16(c). A controlled entity is any entity controlled by NTEU. Control exists where the Union has capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with the Union to achieve its objectives. All intercompany balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

(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.

NTEU FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 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.

NTEU FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial instruments

Financial assets

Bank Deposits on Call (Note 5)

Bank Deposits on Call are valued at cost. Interest is recognised as it accrues. Total weighted average interest rate at balance date was 2.23% (2007: nil%)

Receivables (Note 6)

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 7)

Current investments comprise units in listed trusts at market bid price. Total weighted average interest rate at balance date was 2.31% (2007: nil%)

Financial liabilities

Payables (Note 10)

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.

(n) Information to be provided to members or registrar

In accordance with the requirements of the Workplace Relations Act 1996, as amended, the attention of members is drawn to the provisions of sub-section (1) (2) and (3) of section 272, which reads as follows:

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for unspecified 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 manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under sub-section (1).

Note: this sub-section is a civil penalty provision.

NTEU FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) New accounting standards and interpretations

Certain new Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2008 reporting year. The Entity has not, and does not intend to, adopt the following Standards early:

- Revised AASB 101 'Presentation of Financial Statements', AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101' and AASB 2007-10 'Further Amendments to Australian Accounting Standards arising from AASB 101' which are applicable to financial periods commencing on or after 1 January 2009. These changes will impact the presentation of the Financial Report but are not expected to impact the values disclosed.

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 not applicable to the entity. Consequently, they have not been specifically identified above.

(p) Transfer of net assets from NTEU branches and divisions

At 30 June 2008 all assets and liabilities of NTEU branches, divisions and National Office were transferred to the NTEU Fund, in accordance with Schedule G of the registered rules. The transfer is a non-reciprocal transfer and has been accounted for as a contribution in accordance with AASB 1004 Contributions.

(q) Impairment of Assets

At each reporting date, the Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value-in-use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable value is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash generating unit to which the asset belongs.

(r) Borrowing Costs

Borrowing costs directly attributed to the acquisition of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the costs of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in expenses in the period in which they are incurred.

NTEU FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 2: GIFTED ASSETS

As at 30 June 2008 the assets and liabilities of the Branches and Divisions of the NTEU Fund were gifted to NTEU Fund. The net value of the assets and liabilities were represented by:

	NOTE	ECONOMIC & CHIEF ENTITY	
		2008 \$	2007 \$
Assets			
Current Assets			
Cash and equivalents	5	6,254,766	-
Trade and other receivables	6	196,358	-
Other financial assets	7	4,427,854	-
Other assets	8	133,060	-
		<u>11,012,038</u>	<u>-</u>
Non- Current Assets			
Trade and other receivables			
Other financial assets	7	9,185,473	-
Property, plant and equipment	9	4,904,175	-
		<u>14,089,648</u>	<u>-</u>
Total Assets		<u>25,101,686</u>	<u>-</u>
Liabilities			
Current Liabilities			
Trade and other payables	10	1,619,195	-
Financial liabilities	11	488,625	-
Provisions	12	1,314,723	-
		<u>3,422,543</u>	<u>-</u>
Non-Current Liabilities			
Trade and other payables	10	10,599	-
Financial liabilities	11	2,730,226	-
Provisions	12	1,257,349	-
		<u>3,998,174</u>	<u>-</u>
Total Liabilities		<u>7,420,717</u>	<u>-</u>
Net Assets Gifted to NTEU Fund	4	<u>17,680,969</u>	<u>-</u>

NTEU FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	ECONOMIC ENTITY		CHIEF ENTITY	
	2008	2007	2008	2007
	\$	\$	\$	\$
NOTE 3: AUDITOR'S REMUNERATION				
<i>Audit services</i>				
Auditors to the entity	95,000	-	95,000	-
<i>Other services</i>				
Auditors to the entity	94,000	-	94,000	-
	189,000	-	189,000	-
<i>Audit services</i>				
Auditors of subsidiary	7,000	-	-	-
<i>Other services</i>				
Auditors of subsidiary	1,200	-	-	-
	8,200	-	-	-
NOTE 4: REVENUE FROM ORDINARY ACTIVITIES				
Non operating revenue:				
Transfer of net assets from NTEU branches and divisions				
	17,492,238	-	17,492,238	-
Doubtful debt reversal on consolidation				
	188,731	-	188,731	-
Total non operating revenue	17,680,969	-	17,680,969	-
Total revenue from ordinary activities	17,680,969	-	17,680,969	-
NOTE 5: CASH & CASH EQUIVILANTS				
Cash on hand	19,754	-	19,754	-
Cash at bank	3,966,310	-	3,733,994	-
Short term deposits	2,501,018	-	2,501,018	-
	6,487,082	-	6,254,766	-
NOTE 6: TRADE & OTHER RECEIVABLES				
Current				
Trade debtors	363,483	-	228,397	-
Allowance for doubtful debts	(36,269)	-	(36,269)	-
Other receivables	4,230	-	4,230	-
Amounts receivable from unitholders	514,213	-	-	-
	845,657	-	196,358	-

NTEU FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	ECONOMIC ENTITY		CHIEF ENTITY	
	2008	2007	2008	2007
	\$	\$	\$	\$
NOTE 7: OTHER FINANCIAL ASSETS				
Current				
Investments in managed funds	4,427,824	-	4,427,824	-
Other investments	30	-	30	-
	<u>4,427,854</u>	<u>-</u>	<u>4,427,854</u>	<u>-</u>
Non current				
Investments— at valuation:				
Federation of Education Union Unit Trust (F.E.U.)	-	-	9,185,471	-
Federation of Education Unions Pty Ltd (Trustee of F.E.U.)	-	-	2	-
	<u>-</u>	<u>-</u>	<u>9,185,473</u>	<u>-</u>

The Investment in the F.E.U. consists of 58.9% of the value of issued units in the Unit Trust that owns the land and buildings at 120 Clarendon St., South Melbourne.

NOTE 8: OTHER ASSETS

Prepayments	133,030	-	131,133	-
Other assets	25,474	-	1,927	-
	<u>158,504</u>	<u>-</u>	<u>133,060</u>	<u>-</u>

NTEU FUND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 9: PROPERTY, PLANT & EQUIPMENT	ECONOMIC ENTITY		CHIEF ENTITY	
	2008 \$	2007 \$	2008 \$	2007 \$
(i) Book value disclosure				
Property -- at valuation	19,651,631	-	3,901,631	-
	<u>19,651,631</u>	<u>-</u>	<u>3,901,631</u>	<u>-</u>
Office equipment, fixtures & fittings, motor vehicles - at cost	1,497,021	-	1,320,602	-
Accumulated depreciation	(985,664)	-	(880,568)	-
	<u>511,357</u>	<u>-</u>	<u>440,034</u>	<u>-</u>
Leasehold improvements - at cost	759,429	-	759,429	-
Accumulated amortization	(196,919)	-	(196,919)	-
	<u>562,510</u>	<u>-</u>	<u>562,510</u>	<u>-</u>
Net book value	<u>20,725,498</u>	<u>-</u>	<u>4,904,175</u>	<u>-</u>
(ii) Reconciliation of the carrying amount				
	Building	Office equipment fixtures & fittings	Leasehold improvements	Total
Economic Entity				
Balance at beginning of period	-	-	-	-
Transfers in	19,651,631	511,357	562,510	20,725,498
Balance at end of period	<u>19,651,631</u>	<u>511,357</u>	<u>562,510</u>	<u>20,725,498</u>
Chief Entity				
Balance at beginning of period	-	-	-	-
Transfers in	3,901,631	440,034	562,510	4,904,175
Balance at end of period	<u>3,901,631</u>	<u>440,034</u>	<u>562,510</u>	<u>4,904,175</u>

NTEU FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	ECONOMIC ENTITY		CHIEF ENTITY	
	2008	2007	2008	2007
	\$	\$	\$	\$
NOTE 10: TRADE & OTHER PAYABLES				
Current				
Trade creditors	495,464	-	280,343	-
Net GST payable	103,097	-	103,097	-
Sundry creditors	69,548	-	69,548	-
Accruals and other payables	281,512	-	281,512	-
Amount owed to unitholders	4,008,536	-	-	-
Group loans	-	-	884,695	-
	<u>4,958,157</u>	-	<u>1,619,195</u>	-
Non current				
Trade creditors	8,849	-	8,849	-
Sundry creditors	1,750	-	1,750	-
	<u>10,599</u>	-	<u>10,599</u>	-
NOTE 11: FINANCIAL LIABILITIES				
Current				
Bank loans	582,962	-	488,625	-
Non current				
Bank loans	4,438,817	-	2,730,226	-
Total financial liabilities	<u>5,021,779</u>	-	<u>3,218,851</u>	-
NOTE 12: EMPLOYEE BENEFITS				
Current				
Annual leave	1,042,919	-	1,042,919	-
Long service leave	271,804	-	271,804	-
	<u>1,314,723</u>	-	<u>1,314,723</u>	-
Non current				
Long service leave	1,257,349	-	1,257,349	-
Total provisions	<u>2,572,072</u>	-	<u>2,572,072</u>	-

NTEU FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	ECONOMIC ENTITY		CHIEF ENTITY	
	2008	2007	2008	2007
	\$	\$	\$	\$
NOTE 13: RESERVES				
Defence Fund	4,517,679	-	4,517,679	-
Leave Fund	2,152,147	-	2,152,147	-
Property Fund	4,600,000	-	4,600,000	-
	<u>11,269,826</u>	<u>-</u>	<u>11,269,826</u>	<u>-</u>
Movements during the year				
<i>Defence Fund</i>				
Balance at beginning of year	-	-	-	-
Transfer from retained surplus	4,517,679	-	4,517,679	-
Balance at end of year	<u>4,517,679</u>	<u>-</u>	<u>4,517,679</u>	<u>-</u>
<i>Leave Fund</i>				
Balance at beginning of year	-	-	-	-
Transfer from retained surplus	2,152,147	-	2,152,147	-
Balance at end of year	<u>2,152,147</u>	<u>-</u>	<u>2,152,147</u>	<u>-</u>
<i>Property Fund</i>				
Balance at beginning of year	-	-	-	-
Transfer from retained surplus	4,600,000	-	4,600,000	-
Balance at end of year	<u>4,600,000</u>	<u>-</u>	<u>4,600,000</u>	<u>-</u>
NOTE 14: RETAINED SURPLUS				
Accumulated surplus at the beginning of the financial year	-	-	-	-
Net operating surplus for the year	17,680,969	-	17,680,969	-
Transfer to and from reserves:				
Defence reserve	(4,517,679)	-	(4,517,679)	-
Leave reserve	(2,152,147)	-	(2,152,147)	-
Property reserve	(4,600,000)	-	(4,600,000)	-
Accumulated surplus at the end of the financial year	<u>6,411,143</u>	<u>-</u>	<u>6,411,143</u>	<u>-</u>

NTEU FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	ECONOMIC ENTITY		CHIEF ENTITY	
	2008	2007	2008	2007
	\$	\$	\$	\$
NOTE 15: CASH FLOW INFORMATION				
Reconciliation of net operating surplus to net cash flows from operating activities:				
Net operating surplus	17,680,969	-	17,680,969	-
Non-cash flows in operating activities:				
Contribution of fixed assets	(20,725,498)	-	(4,904,175)	-
Movement in minority interest	2,401,019	-	-	-
Movement in employee provisions	2,572,072	-	2,572,072	-
Changes in assets and liabilities:				
(Increase) / decrease in receivables	(845,657)	-	(196,360)	-
(Increase) / decrease in investments	(4,427,854)	-	(13,613,325)	-
(Increase) / decrease in other assets	(158,504)	-	(133,060)	-
Increase / (decrease) in loans payable	5,021,509	-	3,218,851	-
Increase / (decrease) in payables	4,969,026	-	1,629,794	-
Net cash flows from operating activities	6,487,082	-	6,254,766	-

NOTE 16: RELATED PARTY INFORMATION**(a) Executive officers**

The names of each person holding the position of Executive Officer of the NTEU Fund 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 Mottap	Thomas Stewart
Jeanette Pierce	Andrew Bonnell	Derek Corrigan	Ian Hunt
Jéannie Rea	Kevin Poynter	Mark Probst	Anastasia Kotaldis

Remuneration of key management personnel	2008	2007
	\$	\$
Income received or due and receivable by key management personnel of the Union.		
Short term employee benefits	416,538	-
Post employment benefits	70,811	-
	<u>487,349</u>	<u>-</u>

NTEU FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 16: RELATED PARTY INFORMATION (continued)

(b) Other related parties

(i) State, Division and National branches

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

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

The NTEU Fund 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.

(c) Subsidiaries

The consolidated financial statements include the financial statements of NTEU Fund and subsidiaries listed in the following table.

Name	Country of incorporation	% Ownership Interest	
		2008	2007
Federation of Education Unions Trust	Australia	58.9%	Nil

On 30 June 2008, the NTEU Fund applied AASB127 for the first time. The combined unit holding of the Victorian Division and National Office required the subsidiary to be consolidated.

NTEU FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 17: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

(b) Categorisation of financial instruments

(i) Economic Entity				
Financial assets	Note	Category	Carrying amount 2008	Carrying amount 2007
Cash and cash equivalents	5	N/A	6,487,082	-
Receivables	6	Loans and receivables	845,657	-
Other financial assets	7	Investments	4,427,854	-
Financial liabilities				
Payables	10	Financial liabilities	4,865,659	-
Borrowings	11	Interest bearing loans	5,021,779	-
(ii) Chief Entity				
Financial assets	Note	Category	Carrying amount 2008	Carrying amount 2007
Cash and cash equivalents	5	N/A	6,254,766	-
Receivables	6	Loans and receivables	196,358	-
Other financial assets	7	Investments	4,427,854	-
Financial liabilities				
Payables	10	Financial liabilities	1,526,697	-
Borrowings	11	Interest bearing loans	3,218,851	-

Financial liabilities excludes statutory financial liabilities (i.e GST payable).

NTEU FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 17: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT- Continued

(c) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Fund's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the balance sheet.

Financial assets that are either past due or impaired

Currently the Fund does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

As at the reporting date, there is no indication that the financial assets have been impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the ageing only of financial assets that are past due but not impaired.

Interest rate exposure and ageing analysis of financial assets									
(i)	Economic Entity		Interest rate exposure				Past due by		
	<i>Weighted average effective interest rate</i>	<i>Carrying amount</i>	<i>Fixed interest rate</i>	<i>Variable interest rate</i>	<i>Non-interest bearing</i>	<i>Less than 1 Month</i>	<i>1-3 months</i>	<i>3 months - 1 year</i>	<i>1-5 years</i>
2008	%								
Cash assets	2.23	6,487,082	2,501,018	3,966,310	19,754	-	-	-	-
Receivables	-	845,657	-	-	845,657	-	-	-	-
Other	-	4,427,854	-	-	4,427,854	-	-	-	-
		11,760,593	2,501,018	3,966,310	5,293,265	-	-	-	-
2007									
Cash assets	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
(ii)	Chief Entity		Interest rate exposure				Past due by		
	<i>Weighted average effective interest rate</i>	<i>Carrying amount</i>	<i>Fixed interest rate</i>	<i>Variable interest rate</i>	<i>Non-interest bearing</i>	<i>Less than 1 Month</i>	<i>1-3 months</i>	<i>3 months - 1 year</i>	<i>1-5 years</i>
2008	%								
Cash assets	2.31	6,254,766	2,501,018	3,733,994	19,754	-	-	-	-
Receivables	-	196,358	-	-	196,358	-	-	-	-
Other	-	4,427,854	-	-	4,427,854	-	-	-	-
		10,878,978	2,501,018	3,733,994	4,643,966	-	-	-	-
2007									
Cash assets	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-

NTEU FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 17: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT- Continued

(d) Liquidity risk

Liquidity risk arises when the Fund is unable to meet its financial obligations as they fall due. The Fund operates under the policy of settling financial obligations within 30 days and in the event of a dispute, makes payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets.

The Fund's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

Interest rate exposure and maturity analysis of financial liabilities									
(i)	Economic Entity		Interest rate exposure			Maturity dates			
	Weighted average effective interest rate	Nominal amount	Fixed interest rate	Variable interest rate	Non-interest bearing	Less than 1 month	1-3 months	3 months - 1 year	1-5 years
2008	%								
Payables	-	4,865,659	-	-	4,865,659	-	-	-	-
Borrowings	7.24	5,012,779	5,012,779	-	-	-	-	-	-
		9,878,438	5,012,779	-	4,865,659	-	-	-	-
2007									
Payables	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
(ii)	Chief Entity		Interest rate exposure			Maturity dates			
	Weighted average effective interest rate	Nominal amount	Fixed interest rate	Variable interest rate	Non-interest bearing	Less than 1 month	1-3 months	3 months - 1 year	1-5 years
2008	%								
Payables	-	1,526,697	-	-	1,526,697	-	-	-	-
Borrowings	6.93	3,218,851	3,218,851	-	-	-	-	-	-
		4,745,548	3,218,851	-	1,526,697	-	-	-	-
2007									
Payables	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-

(e) Market risk

The Fund's exposure to market risk is primarily through interest rate risk and other price risks with currently no exposure to foreign currency risk. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

(f) Interest rate risk

Exposure to interest rate risk might arise primarily through the Fund's cash & deposits. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments.

The Fund's exposure to Interest rate risk is set out in the following table.

NTEU FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 17: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT- Continued

(g) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Fund believes the movements in the table below are 'reasonably possible' over the next 12 months. The table discloses the impact on net operating result and equity for each category of financial instrument held by the Fund at year-end as presented to key management personnel, if the above movements were to occur.

Market risk exposure

(iii) Economic Entity	Carrying amount	Interest rate risk				Market risk			
		-1% (100 basis points)		+1% (100 basis points)		-10% (1000 basis points)		+10% (1000 basis points)	
		Surplus	Equity	Surplus	Equity	Surplus	Equity	Surplus	Equity
2008									
Financial assets:									
Cash assets-variable rates	3,966,310	(39,663)	(39,663)	39,663	39,663	-	-	-	-
Investments	4,427,854	-	-	-	-	(442,785)	(442,785)	442,785	442,785
Total	8,394,164	(39,663)	(39,663)	39,663	39,663	(442,785)	(442,785)	442,785	442,785
Financial liabilities:									
Borrowings	5,012,779	50,128	50,128	(50,128)	(50,128)	-	-	-	-
Total	5,012,779	50,128	50,128	(50,128)	(50,128)	-	-	-	-

NTEU FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 17: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT- Continued

Market risk exposure (continued)

(iv) Chief Entity	Carrying amount	Interest rate risk				Market risk			
		-1% (100 basis points)		+1% (100 basis points)		-10% (1000 basis points)		+10% (1000 basis points)	
		Surplus	Equity	Surplus	Equity	Surplus	Equity	Surplus	Equity
2008									
Financial assets:									
Cash assets-variable rates	3,733,994	(37,340)	(37,340)	37,340	37,340	-	-	-	-
Investments	4,427,854	-	-	-	-	(442,785)	(442,785)	442,785	442,785
Total	8,161,854	(37,340)	(37,340)	37,340	37,340	(442,785)	(442,785)	442,785	442,785
Financial liabilities:									
Borrowings	3,218,851	41,035	41,035	(41,035)	(41,035)	-	-	-	-
Total	3,218,851	41,035	41,035	(41,035)	(41,035)	-	-	-	-

(h) **Fair value**

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Fund considers that the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair values, as marketable securities are recorded at their respective quoted market prices and cash assets are held in short term deposits.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
NTEU FUND

Level 5, 30 Collins Street
Melbourne Victoria 3000
TELEPHONE +61 3 9654 0100
FACSIMILE +61 3 9654 0122
www.dfkcollins.com.au

Scope

The general purpose financial report and Executive Committee's responsibility

We have audited the financial report of NTEU Fund. The financial report includes the consolidated entity comprising the chief entity and the entities it controlled at the end of the year or from time to time during the year.

The general purpose 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 NTEU Fund for the year ended 30 June 2008.

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



DFK Collins
Chartered Accountants



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

Melbourne

Date: 23 October 2009

NTEU FUND
CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008

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)."

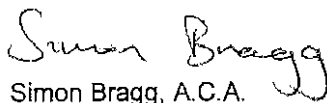
Financial Statements

The Union will provide a copy of the report, accounts and statements for the year ended 30 June 2008 free of charge to any member who requests them.

Auditors' Report to the Members of the NTEU Fund National Council

We certify that the attached Concise Financial Report is a fair and accurate summary of the reports, accounts and statements of the NTEU Fund National Council for the year ended 30 June 2008. Our Auditors' Report on the financial statements dated 23 October 2009, 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
23 October 2009

NTEU FUND

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

On 20/10/2009 the Committee of Management of the NTEU Fund passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2008:

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

NTEU FUND

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008 (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: General Secretary

Signature:



Date:

20/10/2009

NTEU FUND
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2008

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

Other than the transfer of assets and liabilities to the NTEU Fund from NTEU Branches and Divisions as detailed in Note 1 to the financial statements, no other matters or circumstances arose during the reporting year which significantly affected the financial affairs of the Entity.

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 of the entities included in the NTEU Fund was 23,966.

Number of employees

The number of persons who were, at the end of the financial year, employees of the Union was 112.1 measured on a full time equivalent basis.

NTEU FUND
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2008 (continued)

Members of the committee of management

The persons who held office as members of the Committee of Management of the Union at the end 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	Lyn 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
Executive Officer (President)	Mark Probst
Executive Officer (General Secretary)	Anastasia Kotaidis

NTEU FUND

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2008 (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: 20/10/2009

NTEU FUND
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	ECONOMIC ENTITY		CHIEF ENTITY	
		2008 \$	2007 \$	2008 \$	2007 \$
REVENUE FROM ORDINARY ACTIVITIES	4, 1(p)	17,680,969	-	17,680,969	-
EXPENSES		-	-	-	-
SURPLUS FOR THE YEAR		17,680,969	-	17,680,969	-

NTEU FUND
BALANCE SHEET
AS AT 30 JUNE 2008

	Note	ECONOMIC ENTITY		CHIEF ENTITY	
		2008 \$	2007 \$	2008 \$	2007 \$
ASSETS					
Cash and cash equivalents	5	6,487,082	-	6,254,766	-
Trade and other receivables	6	845,657	-	196,358	-
Other financial assets	7	4,427,854	-	4,427,854	-
Other assets	8	158,504	-	133,060	-
TOTAL CURRENT ASSETS		11,919,097	-	11,012,038	-
NON-CURRENT ASSETS					
Other financial assets	7	-	-	9,185,473	-
Property, plant and equipment	9	20,725,498	-	4,904,175	-
TOTAL NON-CURRENT ASSETS		20,725,498	-	14,089,648	-
TOTAL ASSETS		32,644,595	-	25,101,686	-
LIABILITIES					
Trade and other payables	10	4,958,157	-	1,619,195	-
Financial liabilities	11	582,962	-	488,625	-
Employee benefits	12	1,314,723	-	1,314,723	-
TOTAL CURRENT LIABILITIES		6,855,842	-	3,422,543	-
NON-CURRENT LIABILITIES					
Trade and other payables	10	10,599	-	10,599	-
Financial liabilities	11	4,438,817	-	2,730,226	-
Employee benefits	12	1,257,349	-	1,257,349	-
TOTAL NON-CURRENT LIABILITIES		5,706,765	-	3,998,174	-
TOTAL LIABILITIES		12,562,607	-	7,420,717	-
NET ASSETS		20,081,988	-	17,680,969	-
EQUITY					
Reserves	13	11,269,826	-	11,269,826	-
Retained surplus	14	6,411,143	-	6,411,143	-
Minority interest		2,401,019	-	-	-
TOTAL EQUITY		20,081,988	-	17,680,969	-

NTEU FUND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Reserves	Retained Surplus	Minority Interest	Total Equity
	\$	\$	\$	\$
ECONOMIC ENTITY				
At 1 July 2006	-	-	-	-
Surplus for the year	-	-	-	-
At 30 June 2007	-	-	-	-
Surplus for the year	-	17,680,969	-	17,680,969
Transfers from reserves	11,269,826	-	-	11,269,826
Transfers to reserves	-	(11,269,826)	-	(11,269,826)
Minority interest upon consolidation	-	-	2,401,019	2,401,019
At 30 June 2008	11,269,826	6,411,143	2,401,019	20,081,988
CHIEF ENTITY				
At 1 July 2006	-	-	-	-
Surplus for the year	-	-	-	-
At 30 June 2007	-	-	-	-
Surplus for the year	-	17,680,969	-	17,680,969
Transfers from reserves	11,269,826	-	-	11,269,826
Transfers to reserves	-	(11,269,826)	-	(11,269,826)
At 30 June 2008	11,269,826	6,411,143	-	17,680,969

NTEU FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	ECONOMIC ENTITY		CHIEF ENTITY	
		2008 \$	2007 \$	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
Contribution of cash and cash equivalents		6,487,082	-	6,254,766	-
Net cash provided by operating activities	15	<u>6,487,082</u>	<u>-</u>	<u>6,254,766</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Net cash used in investing activities		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Net cash used in investing activities		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase in cash & cash equivalents held		6,487,082	-	6,254,766	-
Cash and cash equivalents at beginning of year		-	-	-	-
Cash and cash equivalents at end of year	5	<u>6,487,082</u>	<u>-</u>	<u>6,254,766</u>	<u>-</u>



FAIR WORK
AUSTRALIA

9 February 2010

Jenny Savage
National Finance Coordinator
National Tertiary Education Industry Union
PO Box 1323
South Melbourne VIC 3205
By email: jsavage@nteu.org.au

cc: Simon Bragg
Partner, DFK Collins Chartered Accountants
Level 5, 30 Collins Street
Melbourne, Victoria, 3000
By email: simon.bragg@dfkcollins.com.au

Dear Ms Savage

Re: Financial Reports for the NTEU National Office and the NTEU Fund for the year ended 30 June 2008 (FR2008/390)

I acknowledge receipt of the financial reports of the NTEU national office and the NTEU Fund for the year ended 30 June 2008. The documents were lodged with Fair Work Australia on 8 January 2010.

The financial reports have not been filed as the auditor's statements regarding the concise reports do not appear to have addressed the requirements of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

[Paragraph 265\(3\)\(c\)](#) of the RO Act requires a concise report to consist of a statement by the auditor that concise report has been audited and whether the concise report complies with the relevant Australian Accounting Standards. The Auditor's Reports for both concise reports do not specify that they have been audited nor do they provide an opinion as to whether they comply with the relevant Australian Accounting Standards.

Accordingly, in order to secure compliance with your obligations under the RO Act, the NTEU is required to obtain Auditor's statements for both concise reports which address the matters set out in paragraph 265(3)(c) of the RO Act. I have forwarded a copy of this letter to your auditor. If you have any queries I can be contacted on 03 8661 7929 or by return email on eve.anderson@fwa.gov.au.

Yours sincerely

Eve Anderson
Tribunal Services and Organisations
Fair Work Australia
Tel: 03 86617929
Email: eve.anderson@fwa.gov.au

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

We certify that the attached Concise Financial Report has been audited and 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 2008. Our Auditors' Report on the financial statements dated 23 October 2009, 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

DFK Collins
Chartered Accountants

Simon Bragg

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

Melbourne
12 February 2010

Auditors' Report to the Members of the NTEU Fund National Council

We certify that the attached Concise Financial Report has been audited and is a fair and accurate summary of the reports, accounts and statements of the NTEU Fund National Council for the year ended 30 June 2008. Our Auditors' Report on the financial statements dated 23 October 2009, 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
12 February 2010