



22 December 2020

Mr Matthew McGowan  
General Secretary  
National Tertiary Education Union

By e-mail: [national@nteu.org.au](mailto:national@nteu.org.au)

Dear Mr McGowan

**National Tertiary Education Union**  
**Financial Report for the year ended 30 June 2020 - FR2020/31**

I acknowledge receipt of the financial report for the year ended 30 June 2020 for the National Tertiary Education Union (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 30 November 2020.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2020 report has been filed the following should be addressed in the preparation of the next financial report.

**1. General Purpose Financial Report (GPFR)**

AASB 15 - Separate disclosure of revenue from contracts with customers

Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* paragraph 113(a) requires an entity to disclose revenue from contracts with customers separately unless already disclosed separately in the statement of comprehensive income.

It appears that no such disclosure has been made.

Please note that in future years the reporting unit's GPFR must include all relevant and required financial disclosures in accordance with AASB 15.

**2. Other**

As you would be aware, the ROC has been communicating with your organisation separately about the financial reporting in your organisation more broadly, including branches which have until now been the subject of section 271 certificate. This correspondence is entirely separate to that matter, though we note that the organisation is currently considering making an application to the Fair Work Commission under section 245 of the *Fair Work (Registered Organisations) Act 2009*.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at [ken.morgan@roc.gov.au](mailto:ken.morgan@roc.gov.au)

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

**KEN MORGAN**

**Financial Reporting Specialist**



**National Tertiary Education Union** ABN 38 579 396 344  
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s.268 *Fair Work (Registered Organisations) Act 2009*

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the period ended 30 June 2020

I *Matt McGowan* being the *General Secretary* of the *National Tertiary Education Union* certify:

- that the documents lodged herewith are copies of the full report for the *National Tertiary Education Union* for the period ended 30 June 2020 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *full report* was provided to members of the reporting unit on *21 October 2020*; and
- that the full report was presented to *a meeting of the committee of management* of the reporting unit on *26 November 2020* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

A handwritten signature in black ink, appearing to read 'Matthew McGowan', is written over a light grey dotted grid background.

.....  
Matthew McGowan  
General Secretary  
National Tertiary Education Union  
30 November 2020

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***National Tertiary  
Education Union  
(NTEU)***

***ABN 38 579 396 344***

***Financial Report for the year ended  
30 June 2020***

**NTEU**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

<b><u>CONTENTS</u></b>	<b><u>Page</u></b>
Report Required Under Subsection 255(2A)	1
Operating report	2
Committee of management statement	5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Auditors' report	38

**General Information**

The financial statements cover National Tertiary Education Union (“NTEU”) as an individual and consolidated entity. The financial statements are presented in Australian dollars, which is National Tertiary Education Union’s functional and presentation currency.

The National Tertiary Education is a not for profit trade union, incorporated and domiciled in Australia.

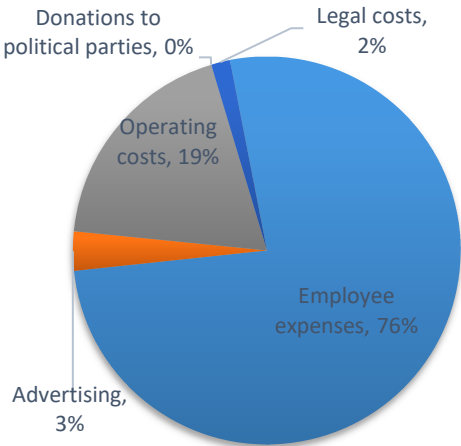
The financial statements were authorised for issue on the date of signing this report.

**NTEU**  
**REPORT REQUIRED UNDER SUBSECTION 255(2A)**  
**FOR THE YEAR ENDED 30 JUNE 2020**

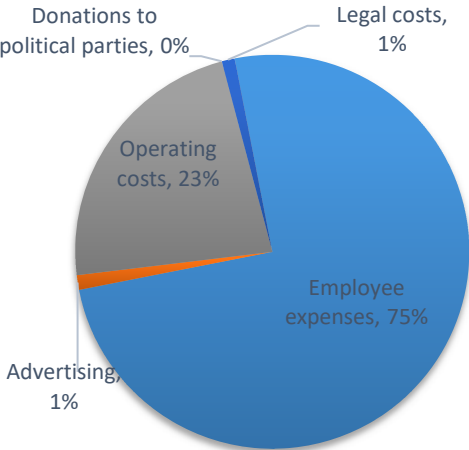
The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2020.

**CONSOLIDATED**

**2020**

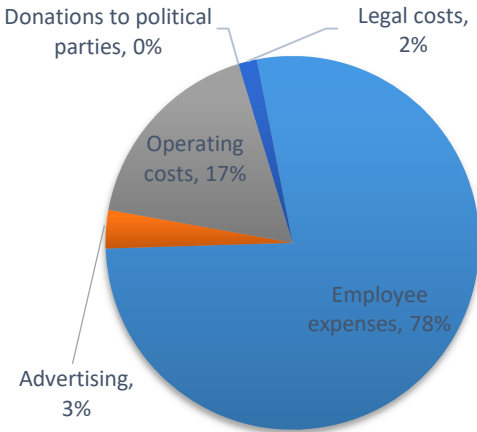


**2019**

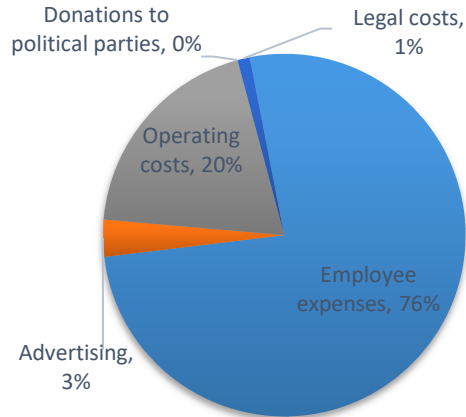


**PARENT**

**2020**



**2019**



Signature of designated officer:

Name and title of designated officer:

**Matthew McGowan**  
**NTEU General Secretary**

**NTEU**  
**OPERATING REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**Principal activities**

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

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

**Results of principal activities**

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

**Significant changes in the nature of principal activities**

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

**Significant changes in the Union's financial affairs**

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

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

Sarah Roberts (Victorian Division Assistant Secretary) is a director of UniSuper Limited, which is the trustee company of UniSuper, the superannuation entity.

Grahame McCulloch (Life member of the NTEU) is a director of UniSuper Limited, which is the trustee company of UniSuper, the superannuation entity.

To the best of the Committee of Management's knowledge and belief, no other member or officer of the organisation is a trustee or a director of a company that is a trustee, of a superannuation entity or an exempt public sector scheme.

**Number of members**

The number of persons who, at the end of the financial year, were recorded on the Register of Members was 30,953 (2019: 27,110).

**Number of employees**

The number of persons who were, at the end of the financial year, employees of the Union was 120.13 (2019: 121.61) measured on a full-time equivalent basis.

**NTEU**  
**OPERATING REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**Members of the committee of management**

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

<b>Position</b>	<b>Name</b>	<b>Period (If not full year)</b>
President	Alison Barnes	
Vice President (Academic)	Andrew Bonnell	
Vice President (General)	Catherine Rojas	
General Secretary	Matthew McGowan	
National Assistant Secretary	Gabrielle Gooding	
Chair of Aboriginal and Torres Strait Islander Policy Committee	Shane Motlap	1 July 2019 to 20 April 2020
Chair of Aboriginal and Torres Strait Islander Policy Committee	Sharlene Leroy-Dyer	20 April 2020 to 30 June 2020
Ordinary Executive Member	Virginia Mansel Lees	
Ordinary Executive Member	Damien Cahill	
Ordinary Executive Member	Andrea Lamont-Mills	
Ordinary Executive Member	Nick Warner	
Ordinary Executive Member	Kerrie Saville	1 July 2019 to 23 July 2019
Ordinary Executive Member	Steve Adams	23 July 2019 to 30 June 2020
Ordinary Executive Member	Catherine Moore	
Ordinary Executive Member	Vince Caughley	
Ordinary Executive Member	Nikola Balnave	
Division Secretary	Jonathan Hallett	
Division Secretary	Melissa Slee	
Division Secretary	Rachael Bahl	1 July 2019 to 30 January 2020
Division Secretary	Catherine Day	30 January 2020 to 30 June 2020
Division Secretary	Michael McNally	
Division Secretary	Kelvin Michael	
Division Secretary	Louisa Manning Watson	1 July 2019 to 16 September 2019
Division Secretary	Rajeev Sharma	16 September 2019 to 30 June 2020
Division Secretary	Ronald Slee	
Division Secretary	Michael Thomson	



**NTEU**  
**OPERATING REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**Manner of resignation – s254(2)(c)**

Members may resign from the Union in accordance with section 174 (Resignation from Membership) of the *Fair Work (Registered Organisations) Act 2009* and rule 11 of the NTEU rules. Rule 11 states as follows:

- (1) A member may resign from membership by written notice addressed and delivered to the General Secretary or to the member's Division Secretary or Branch Secretary. Where a written notice of resignation is received by one of the aforementioned Secretaries he or she shall as soon as practicable forward a copy of the notice of resignation to the other relevant Secretaries. A notice of resignation delivered to a relevant Secretary shall be taken to have been received by the Union when it was delivered.
- (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.
- (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.
- (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.
- (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.
- (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.
- (7) Cessation of payment of any dues, levies and other amounts by a member does not, of itself, terminate membership of the Union.



Matthew McGowan  
NTEU General Secretary

15 October 2020



Alison Barnes  
NTEU President

15 October 2020

**NTEU**  
**COMMITTEE OF MANAGEMENT STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

On 15 October 2020 the Committee of Management of the NTEU passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2020:

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 and notes comply with any other requirements imposed by the reporting guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009 (the RO Act)*;
- (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 RO Act; 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. where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
  - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Committee of Management.



Matthew McGowan  
 NTEU General Secretary  
 15 October 2020



Alison Barnes  
 NTEU President  
 15 October 2020

**NTEU**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2020**

		<b>CONSOLIDATED</b>		<b>PARENT</b>	
	Note	2020 \$	2019 \$	2020 \$	2019 \$
<b>REVENUE</b>					
Membership subscriptions	3	23,405,104	22,672,325	23,405,104	22,672,325
Non-operating revenue	3	1,850,707	1,738,120	1,467,947	1,364,597
<b>TOTAL REVENUE</b>		<u>25,255,811</u>	<u>24,410,445</u>	<u>24,873,051</u>	<u>24,036,922</u>
<b>EXPENSES</b>					
Employee benefits	5	15,009,255	14,731,127	15,009,255	14,731,127
Officeholder benefits	5,19(a)	2,210,166	1,557,506	2,210,166	1,557,506
Depreciation and amortisation	11(ii)	714,997	674,479	356,514	326,374
Other expenses	4	5,325,771	5,447,246	4,981,494	5,101,828
<b>TOTAL EXPENSES</b>		<u>23,260,189</u>	<u>22,410,358</u>	<u>22,557,429</u>	<u>21,716,835</u>
<b>NET OPERATING RESULT</b>		<u>1,995,622</u>	<u>2,000,087</u>	<u>2,315,622</u>	<u>2,320,087</u>
<b>OTHER ECONOMIC FLOWS</b>					
Revaluation of land and buildings	11(ii)	4,051,522	-	191,522	-
Net change in financial assets through OCI		-	-	1,708,100	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>4,051,522</u>	<u>-</u>	<u>1,899,622</u>	<u>-</u>
<b>COMPREHENSIVE RESULT</b>		<u>6,047,144</u>	<u>2,000,087</u>	<u>4,215,244</u>	<u>2,320,087</u>
<b>NET OPERATING RESULT FOR THE YEAR IS ATTRIBUTABLE TO:</b>					
Non-controlling interest		1,454,940	(131,520)	-	-
Owners of the parent		<u>540,682</u>	<u>2,131,607</u>	<u>2,315,622</u>	<u>2,320,087</u>
		<u>1,995,622</u>	<u>2,000,087</u>	<u>2,315,622</u>	<u>2,320,087</u>
<b>TOTAL COMPREHENSIVE RESULT FOR THE YEAR IS ATTRIBUTABLE TO:</b>					
Non-controlling interest		1,454,940	(131,520)	-	-
Owners of the parent		<u>4,592,204</u>	<u>2,131,607</u>	<u>4,215,244</u>	<u>2,320,087</u>
		<u>6,047,144</u>	<u>2,000,087</u>	<u>4,215,244</u>	<u>2,320,087</u>

The accompanying notes form part of these financial statements.

**NTEU**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

		<b>CONSOLIDATED</b>		<b>PARENT</b>	
	Note	2020 \$	2019 \$	2020 \$	2019 \$
<b>ASSETS</b>					
Cash and cash equivalents	6	5,521,527	3,374,584	5,431,332	3,315,804
Trade and other receivables	7	711,156	611,035	603,163	499,806
Other financial assets	8	6,772,125	6,315,464	6,772,125	6,315,464
Other assets	9	205,522	379,923	201,574	257,283
<b>TOTAL CURRENT ASSETS</b>		<u>13,210,330</u>	<u>10,681,006</u>	<u>13,008,194</u>	<u>10,388,357</u>
<b>NON-CURRENT ASSETS</b>					
Other financial assets	8	-	-	13,996,080	12,287,980
Investment properties	10	3,421,600	3,292,000	3,421,600	3,292,000
Property, plant and equipment	11	29,782,004	26,066,662	6,051,419	5,908,012
Intangible assets	12	3,152	126,098	3,152	126,098
<b>TOTAL NON-CURRENT ASSETS</b>		<u>33,206,756</u>	<u>29,484,760</u>	<u>23,472,251</u>	<u>21,614,090</u>
<b>TOTAL ASSETS</b>		<u>46,417,086</u>	<u>40,165,766</u>	<u>36,480,445</u>	<u>32,002,447</u>
<b>LIABILITIES</b>					
Trade and other payables	13	702,119	794,940	531,842	566,085
Provisions	14	3,624,253	3,503,582	3,624,253	3,503,582
Lease liabilities	15	39,022	-	39,022	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>4,365,394</u>	<u>4,298,522</u>	<u>4,195,117</u>	<u>4,069,667</u>
<b>NON-CURRENT LIABILITIES</b>					
Provisions	14	307,816	265,567	307,816	265,567
Lease liabilities	15	95,055	-	95,055	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>402,871</u>	<u>265,567</u>	<u>402,871</u>	<u>265,567</u>
<b>TOTAL LIABILITIES</b>		<u>4,768,265</u>	<u>4,564,089</u>	<u>4,597,988</u>	<u>4,335,234</u>
<b>NET ASSETS</b>		<u>41,648,821</u>	<u>35,601,677</u>	<u>31,882,457</u>	<u>27,667,213</u>
<b>EQUITY</b>					
Reserves	16	28,826,385	23,439,493	22,606,695	19,371,703
Retained earnings	17	3,056,072	3,850,760	9,275,762	8,295,510
Non-controlling interest		9,766,364	8,311,424	-	-
<b>TOTAL EQUITY</b>		<u>41,648,821</u>	<u>35,601,677</u>	<u>31,882,457</u>	<u>27,667,213</u>

The accompanying notes form part of these financial statements.

**NTEU**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Reserves	Retained Earnings	Non-Controlling Interest	Total Equity
	\$	\$	\$	\$
<b>CONSOLIDATED</b>				
<b>At 1 July 2018</b>	<u>23,006,714</u>	<u>2,151,932</u>	<u>8,442,944</u>	<u>33,601,590</u>
Net Operating Result	-	2,131,607	(131,520)	2,000,087
Other Comprehensive Income	-	-	-	-
Transfer (from)/to reserves	<u>432,779</u>	<u>(432,779)</u>	-	-
<b>At 30 June 2019</b>	<u>23,439,493</u>	<u>3,850,760</u>	<u>8,311,424</u>	<u>35,601,677</u>
Net Operating Result	-	540,682	1,454,940	1,995,622
Other Comprehensive Income	4,051,522	-	-	4,051,522
Transfer (from)/to reserves	<u>1,335,370</u>	<u>(1,335,370)</u>	-	-
<b>As at 30 June 2020</b>	<u><u>28,826,385</u></u>	<u><u>3,056,072</u></u>	<u><u>9,766,364</u></u>	<u><u>41,648,821</u></u>
<b>PARENT</b>				
<b>At 1 July 2018</b>	<u>18,938,924</u>	<u>6,408,202</u>	-	<u>25,347,126</u>
Net Operating Result	-	2,320,087	-	2,320,087
Other Comprehensive Income	-	-	-	-
Transfer (from)/to reserves	<u>432,779</u>	<u>(432,779)</u>	-	-
<b>At 30 June 2019</b>	<u>19,371,703</u>	<u>8,295,510</u>	-	<u>27,667,213</u>
Net Operating Result	-	2,315,622	-	2,315,622
Other Comprehensive Income	1,899,622	-	-	1,899,622
Transfer (from)/to reserves	<u>1,335,370</u>	<u>(1,335,370)</u>	-	-
<b>As at 30 June 2020</b>	<u><u>22,606,695</u></u>	<u><u>9,275,762</u></u>	<u><u>-</u></u>	<u><u>31,882,457</u></u>

The accompanying notes form part of these financial statements.

**NTEU**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	CONSOLIDATED		PARENT	
		2020	2019	2020	2019
		\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Revenue from members and other activities		27,186,288	26,220,588	26,707,177	25,724,909
Interest received		162,649	149,729	162,649	149,729
Distribution received		129,261	140,826	129,261	140,826
Payments to suppliers and employees		(22,423,184)	(22,747,418)	(22,077,310)	(22,282,634)
Net GST paid to Australian Tax Office		(1,953,535)	(1,853,755)	(1,922,131)	(1,823,031)
<b>Net cash (used in)/provided by operating activities</b>	18	<u>3,101,479</u>	<u>1,909,970</u>	<u>2,999,646</u>	<u>1,909,799</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from disposal of other financial assets		-	1,144,976	-	1,144,976
Payments for other financial assets		(713,814)	(2,613,953)	(713,814)	(2,613,953)
Payments for property, plant & equipment		(204,527)	(198,463)	(134,109)	(114,618)
Payments for intangible assets		-	(33,103)	-	(33,104)
<b>Net cash (used in)/provided by investing activities</b>		<u>(918,341)</u>	<u>(1,700,543)</u>	<u>(847,923)</u>	<u>(1,616,699)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Repayment of right-of-use lease liabilities		(36,195)	-	(36,195)	-
<b>Net cash (used in)/provided by financing activities</b>		<u>(36,195)</u>	<u>-</u>	<u>(36,195)</u>	<u>-</u>
<b>Net (decrease)/increase in cash &amp; cash equivalents held</b>		<u>2,146,943</u>	<u>209,427</u>	<u>2,115,528</u>	<u>293,100</u>
<b>Cash and cash equivalents at beginning of year</b>		<u>3,374,584</u>	<u>3,165,157</u>	<u>3,315,804</u>	<u>3,022,704</u>
<b>Cash and cash equivalents at end of year</b>	6	<u>5,521,527</u>	<u>3,374,584</u>	<u>5,431,332</u>	<u>3,315,804</u>

The accompanying notes form part of these financial statements.

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation**

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 *Fair Work (Registered Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the NTEU is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

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. Refer to note 2 for further details.

All amounts in the financial statements have been rounded to the nearest one dollar.

**(b) Consolidation**

The consolidated financial statements comprise the financial statements of NTEU and its subsidiaries as at 30 June 2019 (the Group). Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. Details of these controlled entities are contained within Note 19(c).

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intergroup balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

**(c) Revenue recognition**

From 1 July 2019, the NTEU recognises income in line with AASB 15 Revenue from Contracts with Customers and AASB 1058 Income for Not-for-profit Entities. The implementation of these new accounting policies has not resulted in any significant changes in the recognition of income for the 2020 financial year.

Refer to note 1(q) for further information regarding changes in accounting policies.

Revenue is recognised for NTEU's major business activities as follows:

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(c) Revenue recognition (continued)**

Membership subscriptions

Membership subscription revenue represents the contributions made by Union members. Membership subscriptions are recognised as revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the NTEU's promise to stand ready to provide assistance and support to the member as required.

Other Revenue

Other revenue is recognised as income in accordance with AASB 15 where there is an enforceable contract with the customer and the conditions are sufficiently specific to enable determination if the conditions have been satisfied. Where sufficiently specific performance obligations do not exist, revenue is recognised upon receipt in line with AASB 1058 Income for not-for-profit entities.

**(d) Comparatives**

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

**(e) Allowance for doubtful debts**

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

**(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 entity's experience with staff departures.

**(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) 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. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.



**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(i) Cash and cash equivalents**

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, and other short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts.

**(j) Leases**

From 1 July 2019, the NTEU recognises lease liabilities relating to land, buildings, plant and equipment, and motor vehicle leases in line with AASB 16 Leases. The lease contracts are typically made for fixed periods of 1 to 11 years.

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease or at the NTEU's incremental borrowing rate where no rate is implicit in the lease. A corresponding right-of-use asset has been recognised as at 1 July 2019, as reflected in note 15.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease.

In the comparative period, leases of property, plant and equipment were classified as operating leases and were not recognised in the Corporation's balance sheet. Operating lease payments were recognised as an operating expense in the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the lease term.

Short-term leases and leases of low-value assets

The NTEU's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases of photocopiers that are below \$5,000. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

Refer to note 1(q) for further information of the impact of changes in accounting policies.

**(k) Financial instruments**

Financial instruments arise out of contractual agreements that give rise to financial asset of one entity and a financial liability or equity instrument of another entity. The Union considers that the carrying amount of financial assets and liabilities recorded in the financial statements to be a fair approximation of their fair values.

The Union is exposed to some financial risks: interest rate risk, credit risk and liquidity risk.

**Categories of financial assets**

*Financial assets at amortised cost* include financial assets that meet both of the following criteria and the assets are not designated as fair value through net result:

- the assets are held to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(k) Financial instruments (continued)**

The Union recognises cash and deposits, and receivables under this category.

*Financial assets at fair value through net result* include equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income.

The Union recognises managed investment schemes under this category.

*Financial assets at fair value through other comprehensive income* have their fair value changes recognised in OCI. Gains and losses on these financial assets are never recycled to profit or loss. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Union elected to classify irrevocably its non-listed equity investments under this category.

**(l) Section 272 Fair Work (Registered Organisations) Act 2009**

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of sub-section (1) (2) and (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- (1) A member of a reporting unit, or the Commissioner, 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 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.

**(m) Property, Plant and Equipment**

*Recognition and measurement*

**Plant and Equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Freehold land and buildings are brought to account at cost or at independent valuation.

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(m) Property, Plant and Equipment (continued)**

Depreciation

The depreciable amount of property, plant and equipment are depreciated over the useful lives of the assets to the Union, commencing from the time the asset was held ready for use.

The depreciation rates based useful lives used for each class of depreciable assets are as follows:

<i>Class of Asset</i>	<i>Depreciation basis</i>	<i>2020</i>	<i>2019</i>
Buildings	Straight Line	2.5%	2.5%
Buildings (ROU)	Straight Line	12.5-28%	n/a
Office Equipment	Straight Line	20-33%	20-33%
Motor Vehicles	Straight Line	22.5%	22.5%
Building Improvements	Straight Line	10%	10%
Intangibles	Straight Line	33%	33%

The residual value, useful life and depreciation method applied to an asset are reassessed at each reporting date.

**(n) Right of use assets**

From 1 July 2019, the NTEU recognises right of use assets relating to leases for property, plant and equipment in line with AASB 16 Leases.

Initial measurement

The NTEU recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Subsequent measurement

The NTEU depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment

Refer to note 1(q) for further information on changes in accounting policies.

**(o) Investment Property**

NTEU holds investment properties to generate long term rental yields and capital appreciation. The component allocated to investment property is not occupied by NTEU. The occupied proportion has been allocated to buildings in property, plant and equipment. All tenants are on an arm's length basis.

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are stated at fair value.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of comprehensive income in the year in which they arise.

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(p) Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**(q) Changes in accounting policies**

Leases

The NTEU has elected to apply AASB 16 Leases using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee, except for short-term leases and leases of low-value assets. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

On adoption of AASB 16, the NTEU recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117.

NTEU applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application

When measuring lease liabilities, the NTEU discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 5.03%.

<b>Impacts on financial statements</b>	<b>CONSOLIDATED</b>	<b>PARENT</b>
	<b>1 July 2019</b>	<b>1 July 2019</b>
	<b>\$</b>	<b>\$</b>
Total operating lease commitments disclosed at 30 June 2019	482,935	482,935
Less short-term leases	(32,956)	(32,956)
Less leases of low value	(226,146)	(226,146)
Discounted using the incremental borrowing rate at 1 July 2019	(53,561)	(53,561)
<b>Lease liabilities recognised at 1 July 2019</b>	<b>170,272</b>	<b>170,272</b>

Impact on balance sheet due to the adoption of AASB 16 is illustrated with the following reconciliation between the restated carrying amounts at 30 June 2019 and the balances reported under the new accounting standards at 1 July 2019:

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(q) Changes in accounting policies (continued)**

**CONSOLIDATED**

<b>Balance sheet</b>	<b>Note</b>	<b>Opening 1 July 2019 \$</b>	<b>Impact of AASB 16 \$</b>	<b>Adjusted 1 July 2019 \$</b>
Property, plant and equipment		26,066,662	170,272	26,236,934
<b>Total assets</b>		<b>40,165,766</b>	<b>170,272</b>	<b>40,336,038</b>
Lease liability		-	170,272	170,272
<b>Total liabilities</b>		<b>4,564,089</b>	<b>170,272</b>	<b>4,734,361</b>
<b>Total Equity</b>		<b>35,601,677</b>	<b>-</b>	<b>35,601,677</b>

**PARENT**

<b>Balance sheet</b>	<b>Note</b>	<b>Opening 1 July 2019 \$</b>	<b>Impact of AASB 16 \$</b>	<b>Adjusted 1 July 2019 \$</b>
Property, plant and equipment		5,908,012	170,272	6,078,284
<b>Total assets</b>		<b>32,002,447</b>	<b>170,272</b>	<b>32,172,719</b>
Lease liability		-	170,272	170,272
<b>Total liabilities</b>		<b>4,335,234</b>	<b>170,272</b>	<b>4,505,506</b>
<b>Total Equity</b>		<b>27,667,213</b>	<b>-</b>	<b>27,667,213</b>

**Revenue**

From 1 July 2019, the NTEU applied the modified retrospective approach for the implementation of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities (except for income that arises from sources covered by other standards).

Under AASB 15 Revenue from Contracts with Customers, revenue is recognised when there is satisfaction of a performance obligation by transferring of a promised good or service to a customer. Recognition occurs as the service is provided to the customer. Unearned income at reporting date is reported as a deferred revenue liability. Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

AASB 1058 Income of Not-for-Profit Entities applies to transactions where the consideration to acquire an asset is significantly less than fair value, principally to enable a Not-for-profit entity to further its objectives. For transactions within the scope of AASB 1058 income is recognized immediately.

The implementation of these standards has not resulted in any significant changes in the recognition of revenue for the NTEU.

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(r) Australian Accounting Standards Issued that are not yet effective**

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 expected to have any significant impact on the Corporation's financial statements. Consequently, they have not been specifically identified above.

**(s) Additional disclosure requirements under Registered Organisations Commission reporting guidelines**

*(i) Going concern*

NTEU's ability to continue as a going concern is not reliant on financial support of another reporting unit.

*(ii) Financial support to another reporting unit*

NTEU has not agreed to provide financial support to ensure another reporting unit has the ability to continue as a going concern.

*(iii) Acquisition of assets or liabilities*

NTEU did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

*(iv) Business combinations*

NTEU has not acquired assets or liabilities during the financial year as part of a business combination.

*(v) Statement of Financial Position*

NTEU does not have an item or a part of an item in the statement of financial position that has been derived as a result of one or more transactions and/ or past events with another reporting unit of the organisation.

*(vi) Statement of Changes in Equity*

No compulsory levies are raised from members of the Union, therefore no compulsory fund exists for the Union.

*(vii) Recovery of wages*

There has been no recovery of wages activity during the financial year.

*(viii) Administration of financial affairs*

Another entity has not administered the financial affairs of the reporting unit.

*(ix) Recovery of wages*

no revenue has been derived from undertaking recovery of wages activity for the financial year ended 30 June 2020.

**NTEU****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2020****NOTE 2: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Estimation of useful lives of assets*

NTEU determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Employee benefits provision*

As discussed in note 1(g), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

*Fair value measurement hierarchy*

NTEU is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

*Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The Union assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the corporation and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NOTE 3: REVENUE</b>				
Membership subscriptions	<u>23,405,104</u>	<u>22,672,325</u>	<u>23,405,104</u>	<u>22,672,325</u>
<b>Non-operating revenue:</b>				
Rental income	912,368	980,486	712,886	733,706
Distributions	129,261	135,062	129,261	135,062
Interest income	162,649	160,372	162,649	160,372
Director fees	7,279	44,638	7,279	44,638
Sundry income	274,999	138,959	91,721	12,216
Voluntary member contributions for industrial action (Note 3(i))	551	421	551	421
Change in market value of investments	-	278,182	-	278,182
Increase in market value of investment property	129,600	-	129,600	-
Defence fund settlements	234,000	-	234,000	-
Capitation fees from other reporting units	-	-	-	-
Levies	-	-	-	-
Donations or grants	-	-	-	-
<b>Total non-operating revenue</b>	<u>1,850,707</u>	<u>1,738,120</u>	<u>1,467,947</u>	<u>1,364,597</u>
<b>Total revenue</b>	<u>25,255,811</u>	<u>24,410,445</u>	<u>24,873,051</u>	<u>24,036,922</u>

**NOTE 3(i): VOLUNTARY MEMBER CONTRIBUTIONS**

Members of NTEU made voluntary contributions to support workplace industrial action. All funds contributed were distributed to the branches and utilised within the financial period.



**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NOTE 4: OTHER EXPENSES</b>				
Affiliation fees (Note 4(ii))	473,351	461,230	473,351	461,230
Assets written-off	-	-	-	-
Audit services (Note 21)	68,145	71,445	60,000	60,000
Meetings and conferences	551,395	658,626	551,395	658,626
Industrial defence fund - other	61,465	58,760	61,465	58,760
Industrial defence campaigns	15,549	23,329	15,549	23,329
Publications and recruitment	479,527	481,381	479,527	481,381
Travel and reimbursement	410,363	644,560	410,363	644,560
Property fund outgoings	1,152,516	1,199,646	830,530	872,313
Administration costs	1,148,458	1,058,008	1,143,402	1,053,359
Legal costs (Note 4(i))	355,576	234,117	355,576	234,117
Change in market value of investments	257,153	-	257,153	-
Compulsory levies/fees	-	-	-	-
Fees/allowances – meeting and conferences	-	-	-	-
Capitation fees to other reporting units	-	-	-	-
Penalties – via RO Act or Fairwork Act 2009	-	-	-	-
Grants and Donations (Note 4(iii))	33,538	234,890	33,538	234,890
Employer payroll deductions of membership subscriptions	-	-	-	-
Other expenses	318,735	321,254	309,645	319,263
	<u>5,325,771</u>	<u>5,447,246</u>	<u>4,981,494</u>	<u>5,101,828</u>
<b>NOTE 4 (i): LEGAL COSTS</b>				
Litigation costs	339,359	223,896	339,359	223,896
Other legal matters	16,217	10,221	16,217	10,221
	<u>355,576</u>	<u>234,117</u>	<u>355,576</u>	<u>234,117</u>

## NTEU

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

	CONSOLIDATED		PARENT	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>NOTE 4: OTHER EXPENSES (continued)</b>				
<b>NOTE 4 (ii): AFFILIATION FEES</b>				
Australia Asia Workers Link	400	400	400	400
Australian Council of Trade Unions	158,001	154,444	158,001	154,444
Australian People for Health, Education and Development Abroad	3,870	-	3,870	-
Ballarat Regional Trades & Labour Council	1,544	927	1,544	927
Bendigo Trades Hall Council	736	920	736	920
Corporative Power Australia Ltd	-	2,000	-	2,000
Council for Humanities, Arts and Social Sciences	4,000	4,000	4,000	4,000
Council of Pacific Education	600	1,200	600	1,200
Education International	71,432	69,913	71,432	69,913
First Nations Workers Alliance	2,364	-	2,364	-
Geelong Trades Hall Council	2,716	2,674	2,716	2,674
Gippsland Trades Hall Council	847	847	847	847
Goulburn Valley Trades & Labour Council	116	169	116	169
Hiroshima Day Coordinating Committee	-	120	-	120
Labour History Society SA	100	100	100	100
Newcastle Trade Hall Council	1,440	1,415	1,440	1,415
North East Trades & Labour Council	660	880	660	880
NT Trades & Labor Council	2,716	2,759	2,716	2,759
Philippines Australia Union Link	-	45	-	45
Queensland Council of Unions	28,039	27,709	28,039	27,709
Queensland Council of Unions Gold Coast	-	110	-	110
Queensland Council of Unions Rockhampton	110	100	110	100
Queensland Council of Unions Toowoomba	-	110	-	110
Provincial Council				
Scholars at Risk	3,911	1,497	3,911	1,497
Science & Technology Australia	7,367	7,273	7,367	7,273
South West Trades & Labour Council	237	178	237	178
Sunraysia Trades & Labour Council	77	99	77	99
Sydney Alliance	5,892	5,816	5,892	5,816
The Australia Institute	25,568	24,307	25,568	24,307
Unions ACT	9,423	8,968	9,423	8,968
Unions NSW	30,652	32,134	30,652	32,134
Unions South Australia	11,333	12,298	11,333	12,298
Unions Tasmania	4,856	4,310	4,856	4,310
Unions Western Australia	19,700	19,447	19,700	19,447
ABC Friends NSW & ACT	-	120	-	120
Victorian Trades Hall Council	72,596	72,596	72,596	72,596
Worker Health Centre	1,367	1,345	1,367	1,345
North East & Border Trades & Labour Council	331	-	331	-
The May Day Collective of South Australia	350	-	350	-
	<u>473,351</u>	<u>461,230</u>	<u>473,351</u>	<u>461,230</u>

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NOTE 4(iii): GRANTS AND DONATIONS</b>				
Grants:				
Total amount paid in grants that exceeded \$1,000	17,500	22,500	17,500	22,500
Total amount paid in grants that were \$1,000 or less	-	-	-	-
Donations:				
Total amount paid in donations that exceeded \$1,000	6,500	205,000	6,500	205,000
Total amount paid in donations that were \$1,000 or less	9,538	7,390	9,538	7,390
	<u>33,538</u>	<u>234,890</u>	<u>33,538</u>	<u>234,890</u>
<b>NOTE 5: EMPLOYEE BENEFITS</b>				
<i>Officeholders:</i>				
Wages and salaries	1,892,871	1,013,601	1,892,871	1,013,601
Superannuation	282,999	263,500	282,999	263,500
Leave and other entitlements	34,296	280,405	34,296	280,405
Separation and redundancies	-	-	-	-
Other employee expenses	-	-	-	-
Subtotal employee expenses for officeholders	<u>2,210,166</u>	<u>1,557,506</u>	<u>2,210,166</u>	<u>1,557,506</u>
<i>Employees other than officeholders:</i>				
Wages and salaries	10,735,006	10,622,547	10,735,006	10,622,547
Superannuation	1,972,891	1,945,332	1,972,891	1,945,332
Leave and other entitlements	1,379,932	1,604,853	1,379,932	1,604,853
Separation and redundancies	-	-	-	-
Other employee expenses	921,426	558,395	921,426	558,395
Subtotal employee expenses for employees other than officeholders	<u>15,009,255</u>	<u>14,731,127</u>	<u>15,009,255</u>	<u>14,731,127</u>
Total employee benefits	<u>17,219,421</u>	<u>16,288,633</u>	<u>17,219,421</u>	<u>16,288,633</u>

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	\$	\$	\$	\$
<b>NOTE 6: CASH AND CASH EQUIVALENTS</b>				
<b>Current</b>				
Cash on hand	198	202	198	202
Cash at bank	4,571,329	2,654,382	4,481,134	2,595,602
Short term deposits	950,000	720,000	950,000	720,000
	<u>5,521,527</u>	<u>3,374,584</u>	<u>5,431,332</u>	<u>3,315,804</u>
<b>NOTE 7: TRADE AND OTHER RECEIVABLES</b>				
<b>Current</b>				
Trade debtors	13,945	16,683	13,945	16,682
Provision for doubtful debts	-	-	-	-
Other receivables	176,869	199,175	35,357	27,630
Accrued income	520,342	395,177	520,342	395,177
Receivables from related parties (Note 18(b)(ii))	-	-	-	60,317
Receivables from other reporting units	-	-	33,519	-
Less allowance for expected credit losses from other reporting units	-	-	-	-
Total trade and other receivables	<u>711,156</u>	<u>611,035</u>	<u>603,163</u>	<u>499,806</u>
<b>NOTE 8: OTHER FINANCIAL ASSETS</b>				
<b>Current</b>				
Investments in managed funds	<u>6,772,125</u>	<u>6,315,464</u>	<u>6,772,125</u>	<u>6,315,464</u>
<b>Non Current</b>				
Investments – at valuation				
Federation of Education Union Unit Trust (F.E.U.)	-	-	13,996,079	12,287,979
Federation of Education Unions Pty Ltd (Trustee of F.E.U.)	-	-	1	1
	<u>-</u>	<u>-</u>	<u>13,996,080</u>	<u>12,287,980</u>
Total other financial assets	<u>6,772,125</u>	<u>6,315,464</u>	<u>20,768,205</u>	<u>18,603,444</u>
<b>NOTE 9: OTHER ASSETS</b>				
<b>Current</b>				
Prepayments	<u>205,522</u>	<u>379,923</u>	<u>201,574</u>	<u>257,283</u>

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

<b>CONSOLIDATED</b>		<b>PARENT</b>	
<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
\$	\$	\$	\$

**NOTE 10: INVESTMENT PROPERTIES**

**(i) Book value disclosure**

**Non-current**

Land and buildings - at Valuation	3,421,600	3,292,000	3,421,600	3,292,000
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Non-specialised land and non-specialised buildings are valued using the market based direct comparison method. This means that valuations performed by the valuer as based on active market prices, significantly adjusted for difference in nature, location or condition of the specific property.

The land and buildings were revalued at 30 June 2020 by Bristow & Associates, m3 Property Strategists, Egan National Valuers and Burgess Rawson; all Certified Practising Valuers.

The property rental income earned by the Union from its investment properties amounted to \$203,578 for the year (2019: \$197,658). Direct operating expenses arising on the investment properties amounted to \$75,918 (2019: \$79,345).

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market based direct comparison approach.

Details of the Union's investment property and information about the fair value hierarchy as at 30 June 2020 are as follows:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	\$	\$	\$
Land and buildings	-	3,421,600	-
Total	-	3,421,600	-

<b>CONSOLIDATED</b>		<b>PARENT</b>	
<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
\$	\$	\$	\$

**(ii) Reconciliation of the carrying amount**

Balance at beginning of year	3,292,000	3,292,000	3,292,000	3,292,000
Revaluation	129,600	-	129,600	-
Balance at end of year	3,421,600	3,292,000	3,421,600	3,292,000

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 11: PROPERTY, PLANT & EQUIPMENT**

	<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>(i) Book value disclosure</b>				
<b>LAND AND BUILDINGS</b>				
<b>Non-current</b>				
Land and buildings – at Valuation	29,008,400	26,348,000	5,508,400	5,748,000
Accumulated depreciation	-	(927,415)	-	(287,415)
	<u>29,008,400</u>	<u>25,420,585</u>	<u>5,508,400</u>	<u>5,460,585</u>
Buildings (ROU)	170,272	-	170,272	-
Accumulated depreciation	(40,599)	-	(40,599)	-
	<u>129,673</u>	<u>-</u>	<u>129,673</u>	<u>-</u>
Total land and buildings	<u>29,138,073</u>	<u>25,420,585</u>	<u>5,638,073</u>	<u>5,460,585</u>

**Valuation basis**

*Non-specialised land and buildings*

Non-specialised land buildings are valued using the market based direct comparison method. This means that valuations performed by the valuer as based on active market prices, significantly adjusted for difference in nature, location or condition of the specific property. A significant increase (decrease) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

The land and buildings were revalued at 30 June 2020 by Burgess Rawson, Bristow & Associates, m3 Property Strategists, and Egan National Valuers; all Certified Practising Valuers.

Within the consolidated entity, the building owned by the subsidiary was revalued by CBRE, a Certified Practising Valuer, as at 30 June 2020.

To the extent that non-specialised land and buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market based direct comparison approach.

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 11: PROPERTY, PLANT & EQUIPMENT (continued)**

<b>PLANT AND EQUIPMENT</b>	<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Non-current</b>				
Office equipment, fixtures & fittings - at cost	772,786	694,283	390,456	382,371
Accumulated depreciation	<u>(368,147)</u>	<u>(353,405)</u>	<u>(216,402)</u>	<u>(240,143)</u>
	<u>404,639</u>	<u>340,878</u>	<u>174,054</u>	<u>142,228</u>
Leasehold improvements - at cost	547,953	1,275,202	547,953	1,275,202
Accumulated depreciation	<u>(347,656)</u>	<u>(1,026,769)</u>	<u>(347,656)</u>	<u>(1,026,769)</u>
	<u>200,297</u>	<u>248,433</u>	<u>200,297</u>	<u>248,433</u>
Motor Vehicles - at cost	120,373	120,373	120,373	120,373
Accumulated depreciation	<u>(81,378)</u>	<u>(63,607)</u>	<u>(81,378)</u>	<u>(63,607)</u>
	<u>38,995</u>	<u>56,766</u>	<u>38,995</u>	<u>56,766</u>
Total plant and equipment	<u>643,931</u>	<u>646,077</u>	<u>413,346</u>	<u>447,427</u>
Total property, plant & equipment	<u>29,782,004</u>	<u>26,066,662</u>	<u>6,051,419</u>	<u>5,908,012</u>

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 11: PROPERTY, PLANT & EQUIPMENT (continued)**

**(ii) Reconciliation of the carrying amount**

**CONSOLIDATED**

<b>2020</b>	<b>Land &amp; buildings</b>	<b>Building (ROU)</b>	<b>Office equipment fixtures &amp; fittings</b>	<b>Leasehold improvements</b>	<b>Motor Vehicles</b>	<b>Work in Progress</b>	<b>Total</b>
Balance at 30 June 2019	25,420,585	-	340,878	248,433	56,766	-	26,066,662
Implementation of AASB 16	-	170,272	-	-	-	-	170,272
<b>Balance at 1 July 2019</b>	<b>25,420,585</b>	<b>170,272</b>	<b>340,878</b>	<b>248,433</b>	<b>56,766</b>	<b>-</b>	<b>26,236,934</b>
Additions	-	-	186,392	18,135	-	-	204,527
Disposals	-	-	-	-	-	-	-
Revaluation	4,051,522	-	-	-	-	-	4,051,522
Depreciation	(463,707)	(40,599)	(122,631)	(66,271)	(17,771)	-	(710,979)
Balance at 30 June 2020	<b>29,008,400</b>	<b>129,673</b>	<b>404,639</b>	<b>200,297</b>	<b>38,995</b>	<b>-</b>	<b>29,782,004</b>
<b>2019</b>	<b>Land &amp; buildings</b>	<b>Building (ROU)</b>	<b>Office equipment fixtures &amp; fittings</b>	<b>Leasehold improvements</b>	<b>Motor Vehicles</b>	<b>Work in Progress</b>	<b>Total</b>
Balance at 1 July 2018	25,884,293	-	264,071	316,423	74,536	-	26,539,323
Additions	-	-	184,273	14,190	-	-	198,463
Disposals	-	-	(1,016)	-	-	-	(1,016)
Revaluation	-	-	-	-	-	-	-
Depreciation	(463,708)	-	(106,450)	(82,180)	(17,770)	-	(670,108)
Balance at 30 June 2019	<b>25,420,585</b>	<b>-</b>	<b>340,878</b>	<b>248,433</b>	<b>56,766</b>	<b>-</b>	<b>26,066,662</b>



**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 11: PROPERTY, PLANT & EQUIPMENT (continued)**

**(ii) Reconciliation of the carrying amount (continued)**

**PARENT**

<b>2020</b>	<b>Land &amp; buildings</b>	<b>Building (ROU)</b>	<b>Office equipment fixtures &amp; fittings</b>	<b>Leasehold improvements</b>	<b>Motor Vehicles</b>	<b>Work in Progress</b>	<b>Total</b>
Balance at 30 June 2019	5,460,586	-	142,227	248,433	56,766	-	5,908,012
Implementation of AASB 16	-	170,272	-	-	-	-	170,272
Balance at 1 July 2019	5,460,586	170,272	142,227	248,433	56,766	-	6,078,284
Additions	-	-	115,974	18,135	-	-	134,109
Disposals	-	-	-	-	-	-	-
Revaluation	191,522	-	-	-	-	-	191,522
Depreciation	(143,708)	(40,599)	(84,147)	(66,271)	(17,771)	-	(352,496)
Balance as 30 June 2020	5,508,400	129,673	174,054	200,297	38,995	-	6,051,419
			<b>Office equipment fixtures &amp; fittings</b>				
<b>2019</b>	<b>Land &amp; buildings</b>	<b>Building (ROU)</b>	<b>Leasehold improvements</b>	<b>Motor Vehicles</b>	<b>Work in Progress</b>	<b>Total</b>	
Balance at 1 July 2018	5,604,293	-	121,161	316,423	74,536	-	6,116,413
Additions	-	-	100,428	14,190	-	-	114,618
Disposals	-	-	(1,016)	-	-	-	(1,016)
Revaluation	-	-	-	-	-	-	-
Depreciation	(143,707)	-	(78,346)	(82,180)	(17,770)	-	(322,003)
Balance at 30 June 2019	5,460,586	-	142,227	248,433	56,766	-	5,908,012

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	\$	\$	\$	\$
<b>NOTE 12: INTANGIBLE ASSETS</b>				
<b>(i) Book value disclosure</b>				
<b>Non-current</b>				
Software at cost	78,020	196,948	78,020	196,948
Accumulated amortisation	(74,868)	(70,850)	(74,868)	(70,850)
	<u>3,152</u>	<u>126,098</u>	<u>3,152</u>	<u>126,098</u>
<b>(ii) Reconciliation of carrying amount</b>				
Balance at beginning of the year	126,098	97,366	126,098	97,366
Additions	-	33,103	-	33,103
Disposals	(118,928)	-	(118,928)	-
Amortisation	(4,018)	(4,371)	(4,018)	(4,371)
Balance at end of the year	<u>3,152</u>	<u>126,098</u>	<u>3,152</u>	<u>126,098</u>
<b>NOTE 13: TRADE AND OTHER PAYABLES</b>				
<b>Current</b>				
Trade creditors and accruals	392,802	457,585	324,734	364,481
Litigation costs payable	-	-	-	-
Other legal costs payable	6,004	17,273	6,004	17,273
Employer payroll deductions of membership subscriptions	-	-	-	-
GST payable	173,743	156,970	173,743	156,970
Sundry creditors	129,570	163,112	27,361	27,361
Payables to other reporting units (Note 18(c)(ii))	-	-	-	-
	<u>702,119</u>	<u>794,940</u>	<u>531,842</u>	<u>566,085</u>
<b>NOTE 14: PROVISIONS</b>				
<b>Current</b>				
<i>Current provisions expected to be settled within 12 months</i>				
Officeholders:				
Annual leave	147,597	121,541	147,597	121,541
Long service leave	7,618	8,971	7,618	8,971
Separation and redundancies	-	-	-	-
Other employee provisions	-	-	-	-
Subtotal for officeholders	<u>155,215</u>	<u>130,512</u>	<u>155,215</u>	<u>130,512</u>
Employees other than officeholders:				
Annual leave	841,230	799,067	841,230	799,067
Long service leave	74,569	72,718	74,569	72,718
Separation and redundancies	-	-	-	-
Other employee provisions	-	-	-	-
Subtotal for employees other than officeholders:	<u>915,799</u>	<u>871,785</u>	<u>915,799</u>	<u>871,785</u>
	<u>1,071,014</u>	<u>1,002,297</u>	<u>1,071,014</u>	<u>1,002,297</u>

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NOTE 14: PROVISIONS (Continued)</b>				
<b>Current</b>				
<i>Current provisions expected to be settled after 12 months</i>				
Officeholders:				
Annual leave	86,684	71,381	86,684	71,381
Long service leave	182,838	215,306	182,838	215,306
Separation and redundancies	-	-	-	-
Other employee provisions	-	-	-	-
Subtotal for officeholders	<u>269,522</u>	<u>286,687</u>	<u>269,522</u>	<u>286,687</u>
Employees other than officeholders:				
Annual leave	494,057	469,293	494,057	469,293
Long service leave	1,789,660	1,745,305	1,789,660	1,745,305
Separation and redundancies	-	-	-	-
Other employee provisions	-	-	-	-
Subtotal for employees other than officeholders:	<u>2,283,717</u>	<u>2,214,598</u>	<u>2,283,717</u>	<u>2,214,598</u>
	<u>2,553,239</u>	<u>2,501,285</u>	<u>2,553,239</u>	<u>2,501,285</u>
Total current provisions	<u>3,624,253</u>	<u>3,503,582</u>	<u>3,624,253</u>	<u>3,503,582</u>
<b>Non current</b>				
Long service leave- for employees	261,481	219,961	261,481	219,961
Long service leave- for officeholders	46,335	45,606	46,335	45,606
Total non current provisions	<u>307,816</u>	<u>265,567</u>	<u>307,816</u>	<u>265,567</u>
Total provisions	<u>3,932,069</u>	<u>3,769,149</u>	<u>3,932,069</u>	<u>3,769,149</u>
<b>NOTE 15: LEASE LIABILITIES</b>				
<b>Current</b>				
Right-of-use lease liabilities	<u>39,022</u>	-	<u>39,022</u>	-
<b>Non-Current</b>				
Right-of-use lease liabilities	<u>95,055</u>	-	<u>95,055</u>	-
<b>NOTE 16: RESERVES</b>				
Defence reserve	7,857,463	6,644,599	7,857,463	6,644,599
Leave reserve	3,118,153	2,995,647	3,118,153	2,995,647
Property reserve	5,000,000	5,000,000	5,000,000	5,000,000
Asset revaluation reserve	12,850,769	8,799,247	6,631,079	4,731,457
	<u>28,826,385</u>	<u>23,439,493</u>	<u>22,606,695</u>	<u>19,371,703</u>

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	CONSOLIDATED		PARENT	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>NOTE 16: RESERVES (Continued)</b>				
<b>Movements during the year</b>				
<i>Defence reserve</i> <sup>(a)</sup>				
Balance at beginning of year	6,644,599	5,908,903	6,644,599	5,908,903
Transfer to retained surplus	-	-	-	-
Transfer from retained surplus	1,212,864	735,696	1,212,864	735,696
Balance at end of year	<u>7,857,463</u>	<u>6,644,599</u>	<u>7,857,463</u>	<u>6,644,599</u>
<i>Leave reserve</i> <sup>(b)</sup>				
Balance at beginning of year	2,995,647	3,298,564	2,995,647	3,298,564
Transfer to retained surplus	-	-	-	-
Transfer from retained surplus	122,506	(302,917)	122,506	(302,917)
Balance at end of year	<u>3,118,153</u>	<u>2,995,647</u>	<u>3,118,153</u>	<u>2,995,647</u>
<i>Property reserve</i> <sup>(c)</sup>				
Balance at beginning of year	5,000,000	5,000,000	5,000,000	5,000,000
Transfer to retained surplus	-	-	-	-
Transfer from retained surplus	-	-	-	-
Balance at end of year	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
<i>Asset revaluation reserve</i> <sup>(d)</sup>				
Balance at beginning of year	8,799,247	8,799,247	4,731,457	4,731,457
Revaluation of properties	4,051,522	-	191,522	-
Net change in financial assets held through OCI	-	-	1,708,100	-
Balance at end of year	<u>12,850,769</u>	<u>8,799,247</u>	<u>6,631,079</u>	<u>4,731,457</u>

(a) This reserve holds funds for taking action in support of our members

(b) This reserve holds funds to offset employee entitlements

(c) This reserve is held for the purpose of investing in current and future properties

(d) This reserve is used to record increments and decrements on the revaluation of land and buildings, and financial assets held through OCI

**NOTE 17: RETAINED EARNINGS**

Retained surplus at beginning of the year	3,850,760	2,151,932	8,295,510	6,408,202
Net operating surplus/ (deficit) for the year	1,995,622	2,000,087	2,315,622	2,320,087
Transfer (to)/from reserves:				
Defence reserve	(1,212,864)	(735,696)	(1,212,864)	(735,696)
Leave reserve	(122,506)	302,917	(122,506)	302,917
Asset Revaluation Reserve	-	-	-	-
Transfer to non-controlling interest	(1,454,940)	131,520	-	-
Retained surplus at the end of the year	<u>3,056,072</u>	<u>3,850,760</u>	<u>9,275,762</u>	<u>8,295,510</u>

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NOTE 18: CASH FLOW INFORMATION</b>				
<b>Reconciliation of net operating result to net cash flows from operating activities:</b>				
Net operating result	1,995,622	2,000,087	2,315,622	2,320,087
Non-cash flows in operating activities:				
Depreciation and amortisation	714,997	674,479	356,514	326,374
Assets written off	118,928	1,016	118,928	1,016
Change in market value of investments	257,153	(278,182)	257,153	(278,182)
Change in market value of investment property	(129,600)	-	(129,600)	-
Changes in assets and liabilities:				
Decrease/(increase) in receivables	(100,121)	5,464	(103,357)	(33,355)
Decrease/(increase) in other assets	174,401	(145,573)	55,709	(27,773)
(Decrease)/increase in payables	(92,821)	36,256	(34,243)	(14,792)
(Decrease)/increase in employee provisions	162,920	(383,577)	162,920	(383,576)
Net cash flows from operating activities	<u>3,101,479</u>	<u>1,909,970</u>	<u>2,999,646</u>	<u>1,909,799</u>
<b>Cash flow information for controlled entities and other reporting units:</b>				
<b>Cash inflows</b>				
National Tertiary Education Union	26,999,087	27,160,440	26,999,087	27,160,440
Federation of Education Unions Unit Trust	479,111	495,680	-	-
Other reporting units	-	-	-	-
<b>Total cash inflows</b>	<u>27,478,198</u>	<u>27,656,120</u>	<u>26,999,087</u>	<u>27,160,440</u>
<b>Cash outflows</b>				
National Tertiary Education Union	24,883,559	26,867,340	24,883,559	26,867,340
Federation of Education Unions Unit Trust	447,696	579,353	-	-
Other reporting units	-	-	-	-
<b>Total cash outflows</b>	<u>25,331,255</u>	<u>27,446,693</u>	<u>24,883,559</u>	<u>26,867,340</u>

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 19: RELATED PARTY INFORMATION**

**(a) Transactions with Key Management Personnel**

The names of each person holding the position of Executive Officer of the NTEU during the financial year are:

Alison Barnes*	Gabrielle Gooding*	Melissa Slee*	Ronald Slee*
Andrea Lamont-Mills	Jonathan Hallett*	Michael McNally*	Sarah Roberts*
Andrew Bonnell	Kelvin Michael*	Michael Thomson*	Shane Motlap
Catherine Day*	Kerrie Saville	Nick Warner	Sharlene Leroy-Dyer
Catherine Moore	Louisa Manning	Nikola Balnave	Steve Adams
Catherine Rojas	Watson	Rachael Bahl*	Vince Caughley
Damien Cahill*	Matthew McGowan*	Rajeev Sharma	Virginia Mansel Lees

\* Salaried Elected Officers of the NTEU during the financial year

**Remuneration of Salaried Elected Officers**

The compensation paid or payable to Salaried Elected Officers of the Union is set out below:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits		
Salary (including annual leave taken)	1,625,360	1,013,601
Annual leave accrued	267,511	248,541
	<u>1,892,871</u>	<u>1,262,142</u>
Post-employment benefits:		
Superannuation	<u>282,999</u>	<u>263,500</u>
Other long-term benefits:		
Long-service leave	34,296	31,864
	<u>2,210,166</u>	<u>1,557,506</u>

The NTEU has twelve paid elected officers – three National Officers (President, General Secretary and National Assistant Secretary), seven full time State Division Secretaries (ACT, NSW, QLD, SA, TAS, Victoria, and WA), and two Division Assistant Secretaries (NSW and Victoria). Salary rates are set out in a National Salaried Officers Agreement and are benchmarked against the average increase in salaries across the sector of Level E, Level D and C academic rates. They are automatically adjusted on the first full pay period in March annually in line with the average benchmark rate. The purpose of such benchmarking is to ensure transparency as well as to ensure that NTEU Elected Officers' salaries only increase in line with salary movements in the sector. On this basis the relevant salary rates applied on the first full pay period in March 2020 are:

President	\$209,918	(112.5% of Level E)
General Secretary	\$209,918	(112.5% of Level E)
National Assistant Secretary	\$186,594	(100% of Level E)
Division Secretaries – Step 1	\$145,717	(100% of Level D)
Division Secretaries – Step 2	\$148,798	(100% of Level D)
Division Secretaries – Step 3	\$153,008	(100% of Level D)

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 19: RELATED PARTY INFORMATION (continued)**

**(a) Transactions with Key Management Personnel (continued)**

Division Secretaries – Step 4	\$159,959	(100% of Level D)
Division Assistant Secretary – Step 1	\$120,359	(100% of Level C)
Division Assistant Secretary – Step 2	\$122,870	(100% of Level C)
Division Assistant Secretary – Step 3	\$128,418	(100% of Level C)
Division Assistant Secretary – Step 4	\$131,942	(100% of Level C)
Division Assistant Secretary – Step 5	\$135,008	(100% of Level C)
Division Assistant Secretary – Step 6	\$139,117	(100% of Level C)

**(b) Other related parties**

**(i) National Office, state divisions and branches**

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

The Union has not made any payments to a former related party.

**(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 of \$514,110 (2019: \$506,557) 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.

As at 30 June 2019, F.E.U. owed NTEU \$33,519 (30 June 2019: \$60,317). This is recorded as a receivable in the parent entity. For the year ended 30 June 2020, NTEU has not recorded any impairment of receivables relating to amounts owed by F.E.U. (2019: nil).

**(c) Subsidiaries**

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

<b>Parent Entity</b>	<b>Country of Incorporation</b>	<b>Ownership Interest</b>	
		<b>2020</b>	<b>2019</b>
National Tertiary Education Industry Union	Australia	-	-
<b>Subsidiaries of NTEU</b>			
Federation of Education Unions Trust	Australia	58.9%	58.9%

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 20: 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) Consolidated**

<b>Financial assets</b>	<b>Note</b>	<b>Category</b>	<b>Carrying amount 2020</b>	<b>Carrying amount 2019</b>
Cash and cash equivalents	6	Amortised cost	5,521,527	3,374,584
Receivables	7	Amortised cost	711,156	611,035
Investments in managed funds	8	Fair value through profit or loss	6,772,125	6,315,464
<b>Financial liabilities</b>				
Payables	13	Amortised cost	528,376	637,970

**(ii) Parent**

<b>Financial assets</b>	<b>Note</b>	<b>Category</b>	<b>Carrying amount 2020</b>	<b>Carrying amount 2019</b>
Cash and cash equivalents	6	Amortised cost	5,431,332	3,315,804
Receivables	7	Amortised cost	603,163	499,806
Investments in managed funds	8	Fair value through profit or loss	6,772,125	6,315,464
Investment in F.E.U	8	Fair value through OCI	13,996,080	12,287,980
<b>Financial liabilities</b>				
Payables	13	Amortised cost	358,099	409,115

*Financial liabilities exclude statutory financial liabilities (i.e. GST payable)*



**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 20: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)**

**(c) Financial risk management objectives**

The Union's activities do not expose it to many financial risks, with only liquidity risk being needed to be actively managed.

**Market Risk**

*Foreign currency risk*

The Union is not exposed to any significant foreign currency risk.

*Price risk*

The Union is not exposed to any significant price risk.

*Interest rate risk*

The Union is not exposed to any significant interest rate risk.

**Credit risk**

The Union is not exposed to any significant credit risk.

**Liquidity risk**

Vigilant liquidity risk management requires the Union to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Union manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

**Maturity analysis of financial liabilities**

<b>(i) Consolidated</b>		<i>Maturity dates</i>				
	<i>Weighted average interest rate %</i>	<i>1 year or less</i>	<i>Between 1 and 2 years</i>	<i>Between 2 and 5 years</i>	<i>Over 5 years</i>	<i>Remaining contractual maturities</i>
<b>2020</b>						
Payables	0%	528,376	-	-	-	-
		528,376	-	-	-	-
<b>2019</b>						
Payables	0%	637,970	-	-	-	-
		637,970	-	-	-	-
<b>(i) Parent</b>		<i>Maturity dates</i>				
	<i>Weighted average interest rate %</i>	<i>1 year or less</i>	<i>Between 1 and 2 years</i>	<i>Between 2 and 5 years</i>	<i>Over 5 years</i>	<i>Remaining contractual maturities</i>
<b>2020</b>						
Payables	0%	358,099	-	-	-	-
		358,099	-	-	-	-
<b>2019</b>						
Payables	0%	409,115	-	-	-	-
		409,115	-	-	-	-

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 20: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)**

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

***Fair value of financial instruments***

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Assets held as collateral**

The title of the property at Holt Street, New South Wales is held by the Commonwealth Bank as collateral for the Union's credit card facilities.

	<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	\$	\$	\$	\$
<b>NOTE 21: AUDITOR'S REMUNERATION</b>				
<b>Value of the services provided</b>				
<i>Auditors of the parent and group</i>				
Financial statement audit services	55,000	55,000	55,000	55,000
Other services	5,000	5,000	5,000	5,000
	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
<i>Other auditors (subsidiary)</i>				
Financial statement audit services	7,000	10,000	-	-
Other services	1,145	1,445	-	-
	<u>8,145</u>	<u>11,445</u>	<u>-</u>	<u>-</u>
	<u>68,145</u>	<u>71,445</u>	<u>60,000</u>	<u>60,000</u>

**NOTE 22: EVENTS AFTER THE REPORTING PERIOD**

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Union's operations, the results of those operations, or the Union's state of affairs in future financial years.

**NOTE 23: UNION DETAILS**

The registered office and principal place of business of the Union is:

120 Clarendon Street  
 South Melbourne  
 Victoria 3205

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL TERTIARY EDUCATION UNION**

### **Opinion**

We have audited the financial report of National Tertiary Education Union which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, and the subsection 255(2A) report.

In our opinion:

- (a) The general purpose financial report presents fairly, in all material aspects, the financial position of National Tertiary Education Union as at 30 June 2020, and its financial performance and its cash flows for the year ended on that date in accordance with applicable Australian Accounting Standards and any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (b) management's use of the going concern basis of accounting in the preparation of National Tertiary Education Union's financial report is appropriate; and
- (c) the financial report properly and fairly reports all information required by the reporting guidelines of the Commissioner, including:
  - i. any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
  - ii. any donations or other contributions deducted from recovered money.

### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Union in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the RO Act, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Union's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within National Tertiary Education Union to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the National Tertiary Education Union audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*DFK Kidsons Partnership*

**DFK Kidsons Partnership**

*Robert Wernli*

**Robert Wernli, F.C.A**  
Partner

Date: 16 October 2020  
Melbourne

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/11