



**Australian Government**  
**Australian Industrial Registry**

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

Mr N. Mudford  
Division Secretary  
National Tertiary Education Industry Union  
Australian Capital Territory Division  
G Block, Old Admin Area  
ANU CANBERRA 0200

Dear Mr. Mudford

**Re: Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule)  
Financial reports for year ended 30 June 2005 - FR 2005/342**

Thank you for your correspondence of 2 June 2006 providing further information in relation to the financial reports of the Australian Capital Territory Division for the year ended 30 June 2005; this has been placed with the documents previously lodged

The financial documents have now been filed.

Yours sincerely,

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

Larry Powell  
Statutory Services Branch

13 June 2006

2 June 2006

Mr Larry Powell  
Statutory Services Branch  
Australian Industrial Registry  
Level 35, 80 Collins Street  
MELBOURNE 3000

Dear Mr Powell

**Financial Reports for year ended 30 June 2005 – FR 2005/342**

Thank you for your letter 26 May 2006 pointing out the discrepancies in the way we have conducted our audit process. We have noted your comments for future reference.

In the meantime, I am enclosing another Certificate to comply with Item 1. Designated Officer's Certificate in your letter. The full financial statement was provided to all members.

Yours sincerely



Neil Mudford  
Secretary  
NTEU ACT Division

**NATIONAL TERTIARY EDUCATION UNION – ACT DIVISION**

**CERTIFICATE BY MEMBERS OF THE COMMITTEE**

I, Judith Pabian of NTEU ACT Division and I, Neil Mudford of NTEU ACT Division, certify that:

- (a) We are members of the Committee of National Tertiary Education Union – ACT Division.
- (b) We are authorised by the attached resolution of the committee to sign this certificate.
- (c) This annual statement was submitted to the members of the ACT Division on 10 April 2006 and was then submitted to the Committee of Management of the Association at its annual general meeting on 27 April 2006.

Dated this 27<sup>th</sup> day of April 2006.



Judith Pabian (Committee member)



Neil Mudford (Committee member)



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Mr N. Mudford  
Division Secretary  
National Tertiary Education Industry Union  
Australian Capital Territory Division  
G Block, Old Admin Area  
ANU CANBERRA 0200

Dear Mr. Mudford

**Re: Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule)  
Financial reports for year ended 30 June 2005 - FR 2005/342**

Reference is made to the financial reports of the Australian Capital Territory Division of the National Tertiary Education Industry Union for the year ended 30 June 2005. The documents were lodged in the Industrial Registry on 8 May 2006.

I direct your attention to the following comments concerning the above reports and the financial reporting obligations under Schedule 1. Please note that these matters are generally advised for assistance in the future preparation of financial reports, With the exception of the comments concerning item 1, no further action is required in respect of the subject documents.

**1. Designated Officer's Certificate**

Section 268 requires a certificate by a prescribed designated officer that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266. I note that no such certificate has been lodged.

Would you please forward the designated officer's certificate addressing the above information by Monday, 12 June 2006.

**2. Operating Report**

**(a) Results of principal activities**

I refer to the "Operating Result". I note that s254(2)(a) of Schedule 1 requires the operating report to include a review of the reporting entities' principal activities, the results of those activities and any significant changes in the nature of those activities.

The "operating result" requirement contemplates reference in the operating report to results directly related to the principal activities as opposed to the reporting entities financial result, particularly as measured in dollar 'surplus' or 'loss' terms. Although this may not be stated explicitly in the text of the subsection, I think it is reasonable to infer this is what the legislators had in mind given that the subsection is referring primarily to the principal activities and secondly, the actual financial outcome is elaborated elsewhere in the financial documents, such as the Balance Sheet and/or the Profit and Loss statement.

**(b) Right of members to resign**

Subsection 254(2)(c) of Schedule 1 requires the operating report to “give details” of the right of members to resign from the reporting unit under section 174 of Schedule 1. The requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. I note that the operating report does not provide the complete text of the resignation rule.

- (c)** I note that the Operating Report is named “Committee’s Report”. In order to avoid confusion all documents should be named correctly.

**3. Auditor’s Report**

- (a) The opinion expressed by the auditor in their report has not fully met the requirements of the Act. Section 257(5) of the RAO Schedule now sets out the matters on which an auditor is required to state an opinion. An acceptable wording would be as follows:

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

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

**4. Committee of Management Statement**

**(a) Date of resolution**

Item 18 of the Reporting Guidelines requires that the Committee of Management’s statement must be made in accordance with such resolution as is passed by the Committee of Management. Such statement must also specify the date of passage of the resolution. I note that the date of the resolution was not provided.

**(b) Signatory**

Please note that under reporting Guideline 18(d) for the purposes of s253 this Statement need only be signed by a designated officer.

**5. Income and Expenditure Statement**

- (a) I note that the financial documents contain a disclaimer which precedes the reporting unit’s Income and Expenditure Statement. Such document was prepared for the members of the division.

Section 252 of Schedule 1 of the RAO Schedule requires that a reporting unit must cause a general purpose financial report to be prepared. Such report must consist of, among other things, financial statements containing a profit and loss statement.

The accounts and other statements should contain certain disclosures (as prescribed by the Industrial Registrar's Reporting Guidelines).

As the information contained in the detailed Income and Expenditure Statement does not appear to form part of the audited "accounts and statements" the financial documents as lodged do not satisfy the requirements of s253 of Schedule 1.

So as to ensure compliance with subsection 253, future documents should include an Income and Expenditure Statement setting out particulars of all relevant disclosure requirements of the Industrial Registrar's Guidelines

**(b) Salaries**

The reporting guidelines prescribe certain disclosure requirements in addition to those prescribed by Australian Accounting Standards. Items 11(g) and (h) of the guidelines reads:

- “(g) employee benefits to holders of office of the reporting unit;*
- (h) employee benefits to employees (other than holders of offices) of the reporting unit;”*

I have noted that the statement of financial performance includes an item shown as "Salaries and wages" as an expense from ordinary activities.

Future financial reports should show such salaries amounts as having been paid to either holders of office or employees as required by the reporting guidelines.

**6. Notice to members**

I note that the notice to members reproduces the provisions of section 274 of the Workplace Relations Act 1996. The accounts should set out the provisions of subsections 272(1), (2) and (3) of Schedule 1. Would you please ensure those subsections are copied into the General Purpose Financial Report in the next financial report of the Division.

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

**Electronic Lodgement**

I encourage you to take advantage of the electronic lodgement service provided by the Registry for future lodgements. You may register as a user and then lodge your documents via the Electronic Lodgement page of the AIRC website at [www.airc.gov.au](http://www.airc.gov.au). Alternatively, you may send an email with the documents attached to [riateam3@air.gov.au](mailto:riateam3@air.gov.au)

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7993 or by email at [larry.powell@air.gov.au](mailto:larry.powell@air.gov.au).

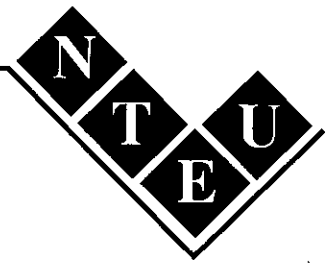
Yours sincerely,

A handwritten signature in black ink, appearing to read 'L. Powell', written in a cursive style.

Larry Powell  
Statutory Services Branch

26 May 2006

National  
Tertiary  
Education  
Industry  
Union



2 May 2006

(Attn: Larry Powell)

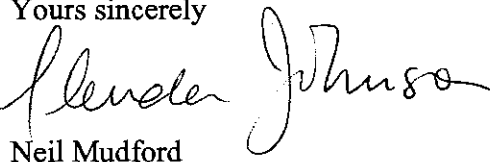
The Registrar  
Australian Industrial Registry  
80 Collins Street  
MELBOURNE 3000

Dear Registrar

**Ref: FR2005/342 – 283V-ACTD : National Tertiary Education Industry Union –  
ACT Division, Audited financial statements 2005**

Please find enclosed a copy of the audited Financial Statements 2005 for the NTEU ACT  
Division, with appropriately signed certificates.

Yours sincerely

*for* 

Neil Mudford  
Secretary  
NTEU ANU Branch

---

NTEU ACT Division  
G Block, Old Admin Area  
ANU, CANBERRA ACT 0200  
new fax: 02 6125 8137  
new email: actdiv@nteu.org.au

◆ ACT DIVISION

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3 • Fax: (02) 6247 1032  
Email: nteu@anu.edu.au



**NATIONAL TERTIARY EDUCATION UNION - ACT DIVISION**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2005**

# NATIONAL TERTIARY EDUCATION UNION - ACT DIVISION

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## NATIONAL TERTIARY EDUCATION UNION - ACT DIVISION

### **COMMITTEE'S REPORT**

Your committee members submit the financial report of the National Tertiary Education Union - ACT Division for the financial year ended 30 June 2005.

This Committee's Report is prepared in accordance with Section 254 of the Workplace Relations Act.

#### **Committee Members**

The names of committee members throughout the financial year and at the date of this report are:

<i>Committee of Management</i>		<i>Period on Committee of Management for this reporting period</i>
Judith Pabian	President	12 Months
Neil Mudford	Secretary	12 Months
Alison Edwards	Council Member	12 Months
Di Adams	Vice President ( Academic Staff)	12 Months
Rachael Bahl	Vice President (General Staff)	12 Months
Derek Corrigan	Assistant Secretary	12 Months
Michael O'Donnell	Council Member	12 Months
Craig McGarty	Council Member	12 Months
Karen Hill	Council Member	12 Months
Deborah Crisp	Council Member	12 Months
Deborah Veness	Council Member	12 Months

#### **Principal Activities**

The principal activity of the association during the financial year was to represent the interest of its members, including access to industrial advice, professional representation and protection, and commercial membership services.

#### **Significant Changes**

No significant change in the nature of these activities occurred during the year

#### **Operating Result**

The surplus from ordinary activities amounted to \$94,261 (2004 surplus \$105,674).

#### **After Balance Date Events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association, the results of those operations, or the state of affairs of the association in future financial years. However, the Accounting arrangements were partially centralized to provide for a more effective administration of the accounting and finance function.

## NATIONAL TERTIARY EDUCATION UNION - ANU DIVISION

### COMMITTEE'S REPORT *(Cont.)*

#### **Right of Members to Resign**

Under Section 174 of the Workplace Relations Act, details of the right of members to resign is required to be disclosed. Rule 11 deals with resignation from membership.

A member may resign from membership by written notice addressed and delivered to the member's Division Secretary or Branch Secretary provided that:

- a) Where a written notice of resignation is received by a Division Secretary he or she shall as soon as practicable forward a copy of the notice of resignation to the appropriate Branch Secretary;
- b) Where a written notice of resignation is received by a Branch Secretary he or she shall as soon as practicable forward a copy of the notice of resignation to the relevant Division Secretary.

A Notice of resignation from membership takes effect:

- a) Where the member ceases to be eligible to become a member of the Union on the day on which the notice is received by the Union; or 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; at the end of two weeks, or if permitted by law three months after the notice is received by the Union; or on the day specified in the notice; whichever is later.

#### **Trustee of Superannuation Entity**

No member of the Committee of Management is:

- a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and the committee is not aware of any other information that is considered relevant.

The committee is not aware of any member of this Association who is:

- a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and the committee is not aware of any other information that is considered relevant.

#### **Number of Members of the Association**

The number of persons that were, at the end of the financial year to which this report relates, recorded in the register of members for section 230 of the Registration and Accountability of Organisations (RAO) Schedule and who are taken to be members of this reporting unit under Section 244 of the RAO Schedule are 1510 (2004-1501).

NATIONAL TERTIARY EDUCATION UNION - ANU DIVISION

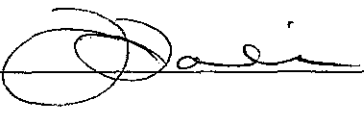
COMMITTEE'S REPORT (Cont.)

**Number of Employees**

The number of persons who were, at the end of the financial year to which this report relates, employees of the reporting unit, measured on a full-time equivalent basis is 4.00.

This operating report has been prepared by a designated officer of the committee of management.

Signed in accordance with a resolution of the Members of the Committee:

  
\_\_\_\_\_  
Judith Pabian

  
\_\_\_\_\_  
Neil Mudford

Dated this 1<sup>st</sup> the day of MARCH 2006

**NATIONAL TERTIARY EDUCATION UNION - ACT DIVISION**

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2005**

	Notes	2005 \$	2004 \$
Revenue from ordinary activities	2	399,267	386,441
Employee benefit expense		(252,902)	(238,491)
Depreciation & amortisation	3	(4,488)	(2,888)
Auditors Remuneration	3	(1,950)	(1,850)
Other expenses from ordinary activities		(45,666)	(37,538)
<b>Surplus Profit from ordinary activities</b>	<b>3</b>	<b><u>94,261</u></b>	<b><u>105,674</u></b>

**NATIONAL TERTIARY EDUCATION UNION - ACT DIVISION**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2005**

	Notes	2005 \$	2004 \$
<b>CURRENT ASSETS</b>			
Cash assets	4	471,764	394,990
Receivables	5	51,283	906
Other	6	<u>2,041</u>	<u>12,986</u>
<b>TOTAL CURRENT ASSETS</b>		<u>525,088</u>	<u>408,882</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	<u>4,667</u>	<u>9,155</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>4,667</u>	<u>9,155</u>
<b>TOTAL ASSETS</b>		<u>529,755</u>	<u>418,037</u>
<b>CURRENT LIABILITIES</b>			
Payables	8	22,770	5,627
Interest-bearing liabilities		2,562	2,175
Provisions	9	<u>133,283</u>	<u>130,793</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>158,615</u>	<u>138,595</u>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing liabilities		<u>1,292</u>	<u>3,854</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>1,292</u>	<u>3,854</u>
<b>TOTAL LIABILITIES</b>		<u>159,907</u>	<u>142,449</u>
<b>NET ASSETS</b>		<u>369,848</u>	<u>275,588</u>
<b>EQUITY</b>			
Retained surplus	10	<u>369,848</u>	<u>275,588</u>
<b>TOTAL EQUITY</b>		<u>369,848</u>	<u>275,588</u>

The accompanying notes form part of these financial statements.

**NATIONAL TERTIARY EDUCATION UNION - ACT DIVISION**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2005**

	Notes	2005 \$	2004 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from members		341,799	368,025
Payments to suppliers and employees		(280,885)	(254,113)
Interest received		<u>18,036</u>	<u>17,595</u>
Net cash provided by operating activities	13 (b)	<u>78,950</u>	<u>131,507</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		<u>(2,176)</u>	<u>(2,394)</u>
Net cash used in financing activities		<u>(2,176)</u>	<u>(2,394)</u>
Net increase in cash held		76,774	129,113
Cash at beginning of financial year		<u>394,990</u>	<u>265,877</u>
Cash at end of financial year	13 (a)	<u><u>471,764</u></u>	<u><u>394,990</u></u>



## NATIONAL TERTIARY EDUCATION UNION - ACT DIVISION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

#### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Workplace Relations Act as amended.

The financial report is for the entity National Tertiary Education Union -ACT Division as an individual entity. National Tertiary Education Union -ACT Division is an Association incorporated under the Workplace Relations Act as amended.

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. Cost is based on the fair values of the consideration given in exchange for assets.

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

#### **(a) Income Tax**

No provision for income tax has been raised as the association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

#### **(b) Property, Plant and Equipment**

Each class of property plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

##### *Plant and Equipment*

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

##### *Depreciation*

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the Association commencing from the time the asset was held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates and useful lives used for each class of depreciable assets are:

<b>Class of fixed asset</b>	<b>Depreciation rates/useful lives</b>	<b>Depreciation basis</b>
Computer Equipment	40 %	Diminishing Value

## NATIONAL TERTIARY EDUCATION UNION - ACT DIVISION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

#### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(Cont.)*

##### **(c) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Association are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Association will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lesser, are charged as expenses in the periods in which they are incurred.

##### **(d) Employee Benefits**

Provision is made for the Association'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 sick 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. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Association to an employee superannuation fund and are charged as expenses when incurred.

##### **(e) Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

##### **(f) Revenue**

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of goods and services tax (GST).

##### **(g) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

NATIONAL TERTIARY EDUCATION UNION - ACT DIVISION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(Cont.)*

**(h) Information to be provided to members or Registrar**

In accordance with the requirements of the Workplace Relations Act 1996, as amended, attention is drawn to the provision of subsections (1), (2) and (3) of Section 272, which reads:

1. A member of an organisation, or a Registrar may apply to the organisation for specified prescribed information in relation to the organisation.
2. An organisation shall, on application made under sub-section (1) by a member of the organisation or the Registrar, make specified information available to the member or the registrar in such manner, and within such time, as is prescribed. Penalty: \$1,000.

**(i) Adoption of Australian Equivalents to International Financial Reporting Standards**

The Association is preparing and managing the transition to Australian Equivalents to International Financial Reporting Standards effective for the financial years commencing January 2005. The adoption of AIFRS will be reflected in the Association's financial statements for the year ending 30 June 2006. The Association has assessed the significance of the expected changes and are preparing for their implementation.

**NATIONAL TERTIARY EDUCATION UNION - ACT DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

	Note	2005 \$	2004 \$
<b>NOTE 2: PROFIT FROM ORDINARY ACTIVITIES</b>			
<u>Revenue</u>			
Operating Activities			
Capitation Income		367,231	341,661
Contributions		14,000	14,493
Other Income		<u>12,500</u>	<u>12,692</u>
		393,731	368,846
Non operating Activities-Interest Received		<u>18,036</u>	<u>17,595</u>
Total Revenue		<u><u>411,767</u></u>	<u><u>386,441</u></u>
<b>NOTE 3: PROFIT FROM ORDINARY ACTIVITIES</b>			
<u>Expenses</u>			
Depreciation of non-current assets			
- Plant and Equipment		1,600	-
Amortisation of non-current assets			
- Capitalised leases assets		2,888	2,888
Remuneration of Auditor		<u>1,950</u>	<u>1,850</u>
		<u><u>6,438</u></u>	<u><u>4,738</u></u>
<b>NOTE 4: CASH ASSETS</b>			
Cash on hand		-	129
Cash at bank		235,025	242,967
Deposits at call		<u>236,739</u>	<u>151,894</u>
		<u><u>471,764</u></u>	<u><u>394,990</u></u>
<b>NOTE 5: RECEIVABLES</b>			
CURRENT			
Other debtors		51,283	906
<b>NOTE 6: OTHER ASSETS</b>			
CURRENT			
Prepayments		1,861	2,776
Other current assets		<u>180</u>	<u>10,210</u>
		<u><u>2,041</u></u>	<u><u>12,986</u></u>

**NATIONAL TERTIARY EDUCATION UNION - ACT DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

	Notes	2005 \$	2004 \$
<b>NOTE 7: PROPERTY, PLANT AND EQUIPMENT</b>			
<b>PLANT AND EQUIPMENT</b>			
<b>(a) Leased plant and equipment</b>			
Capitalised lease assets at cost		11,550	11,550
Less accumulated depreciation		<u>(9,282)</u>	<u>(6,394)</u>
		<u>2,268</u>	<u>5,156</u>
<b>(b) Office equipment</b>			
At cost		13,558	36,245
Less accumulated depreciation		<u>11,159</u>	<u>(32,246)</u>
		<u>2,399</u>	<u>3,999</u>
<b>Total plant and equipment</b>		<u><u>4,667</u></u>	<u><u>9,155</u></u>

**(a) Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Leased plant and equipment \$	Office equipment \$	Total \$
<b>2005</b>			
Balance at the beginning of the year	5,156	3,999	9,155
Depreciation expense	<u>(2,888)</u>	<u>(1,600)</u>	<u>(4,488)</u>
Carrying amount at end of year	<u><u>2,268</u></u>	<u><u>2,399</u></u>	<u><u>4,667</u></u>

**NOTE 8: PAYABLES**

**CURRENT**

Unsecured liabilities

Trade creditors	-	353
Sundry creditors and accruals	<u>22,770</u>	<u>5,274</u>
	<u><u>22,770</u></u>	<u><u>5,627</u></u>

**NOTE 9: PROVISIONS**

**CURRENT**

Employee benefits	62,018	58,898
Other	<u>71,265</u>	<u>71,895</u>
	<u><u>133,283</u></u>	<u><u>130,793</u></u>

**NATIONAL TERTIARY EDUCATION UNION - ACT DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

	Notes	2005 \$	2004 \$
<b>NOTE 10: RETAINED SURPLUS</b>			
Retained surplus at the beginning of the financial year		275,588	169,914
Net surplus attributable to members of the entity		<u>94,261</u>	<u>105,674</u>
Retained surplus at the end of the financial year		<u><u>369,849</u></u>	<u><u>275,588</u></u>
<b>NOTE 11: CAPITAL AND LEASING COMMITMENTS</b>			
(a) Finance leasing commitments			
Payable			
- not later than one year		2,712	2,712
- later than one year and not later than five years		<u>1,353</u>	<u>3,878</u>
Minimum lease payments		4,065	6,590
Less future finance charges		<u>(211)</u>	<u>(561)</u>
Total finance lease liability		<u><u>3,854</u></u>	<u><u>6,029</u></u>
Represented by:			
Current liability		2,562	2,175
Non-current liability		<u>1,292</u>	<u>3,854</u>
		<u><u>3,854</u></u>	<u><u>6,029</u></u>

**NOTE 12: ECONOMIC DEPENDENCE**

The Association is dependant upon its members who are employed by Tertiary Education Institutions.

**NATIONAL TERTIARY EDUCATION UNION - ACT DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

	Note	2005 \$	2004 \$
<b>NOTE 13: CASH FLOW INFORMATION</b>			
(a) Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:			
Cash on hand		-	129
Cash at bank		235,025	242,967
At call deposits with financial institutions		236,739	151,894
		<u>471,764</u>	<u>394,990</u>

(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax			
Surplus from ordinary activities after income tax		94,261	105,674
Non-cash flows in profit from ordinary activities			
Amortisation		2,888	2,888
Depreciation		1,600	-
Changes in assets and liabilities			
Increase in receivables		(52,418)	(821)
(Increase)/decrease in other assets		12,986	28,022
increase/(decrease) in payables		17,143	(13,154)
Increase in provisions		2,490	8,898
Cash flows from operations		<u>78,950</u>	<u>131,507</u>

**NOTE 14: FINANCIAL INSTRUMENTS**

**(a) Interest Rate Risk**

The Association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective		Fixed Interest Rate Maturing				Floating Interest Rate	
	Interest Rate		Within 1 Year		Over 5 Years		Rate	
	2005 %	2004 %	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$
Financial Assets:								
Cash	4.00	4.00	235,025	242,967	-	-	236,739	151,849
Receivables	-	-	-	-	-	-	-	-
Total Financial Assets			<u>235,025</u>	<u>242,967</u>	<u>-</u>	<u>-</u>	<u>236,739</u>	<u>151,849</u>
Financial Liabilities:								
Trade and sundry creditors	-	-	-	-	-	-	-	-
Lease liabilities	7.00	7.00	2,562	2,175	1,292	3,854	-	-
Total Financial Liabilities			<u>2,562</u>	<u>2,175</u>	<u>1,292</u>	<u>3,854</u>	<u>-</u>	<u>-</u>

NATIONAL TERTIARY EDUCATION UNION - ACT DIVISION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

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**NOTE 14: FINANCIAL INSTRUMENTS (Cont.)**

**(b) Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into the Association.

**(c) Net Fair Values**

Methods and assumptions used in determining net fair value.

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

**NOTE 15: ASSOCIATION DETAILS**

The principal place of business of the Association is:

National Tertiary Education Union - ACT Division

G Block

Cnr McDonald Lane & McDonald Place

Australian National University

CANBERRA ACT 0200



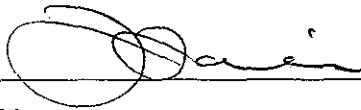
**NATIONAL TERTIARY EDUCATION UNION – ACT DIVISION**

**STATEMENT BY MEMBERS OF THE COMMITTEE**

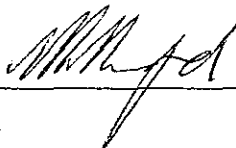
In the opinion of the committee the financial report:

1. Presents a true and fair view of the financial position of National Tertiary Education Union ACT Division as at 30 June 2005 and its financial performance and cash flows for the financial year ended on that date;
2. Complies with the Australian Accounting Standards and other mandatory professional reporting requirements including the reporting guidelines of the Industrial registrar, and other authoritative pronouncements of the Australian Accounting Standards Board.
3. At the date of this statement, there are reasonable grounds to believe that National Tertiary Education Union ACT Division will be able to pay its debts as and when they fall due.
4. During this financial year to which is general purpose financial report relates and since the end of that year;
  - Meetings of the committee of Management were held in accordance with the rules of the Association including the rules of National Tertiary Education Union ACT Division;
  - The financial affairs of the of the Association have been managed in accordance with the rules of the Association including the rules of National Tertiary Education Union ACT Division;
  - The financial records of the Association have been kept and maintained in accordance with the RAO Schedule and the RAO regulations;
  - The financial records of the Association have been kept as far as practicable, in a consistent manner to each of the other branches, Divisions and National Office of the National Tertiary Education Union;
  - The information sought in any respect of the Association or a Registrar duly made under Section 272 of the RAO schedule has been furnished to the member or the registrar; and
  - There has been compliance with any order for inspection of financial records where made by the Commission under section 273 of the RAO schedule.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



Judith Pabian



Neil Mudford

Dated : 1/3/06

# Di Bartolo Diamond & Mihailaros

An Australian Capital Territory Partnership

# PKF

Chartered Accountants  
and Business Advisers

Level 7, 28 University Ave  
GPO Box 588  
Canberra City, ACT 2601

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## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF NATIONAL TERTIARY EDUCATION UNION - ACT DIVISION

### Scope

We have audited the financial report of National Tertiary Education Union - ACT Division for the financial year ended 30 June 2005 being the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, notes to the Financial Statements and the Statement by Members of the Committee. The committee is responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, the Association Incorporation Act of the Australian Capital Territory, and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the Association's financial position and performance as represented by the results of its operations and its cash flows.

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

### Audit Opinion

In our opinion, the financial report of the National Tertiary Education Union - ACT Division presents a true and fair view in accordance with applicable Accounting Standards, the Association Incorporation Act of the Australian Capital Territory and other mandatory professional reporting requirements in Australia, the financial position of the National Tertiary Education Union - ACT Division as at 30 June 2005 and the results of its operations and its cash flows for the financial year then ended.

PKF - Di Bartolo Diamond & Mihailaros



John Mihailaros  
Partner

Dated: 5/1/06

# Di Bartolo Diamond & Mihailaros

An Australian Capital Territory Partnership



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## NATIONAL TERTIARY EDUCATION UNION - ACT DIVISION

### DISCLAIMER TO THE MEMBERS OF NATIONAL TERTIARY EDUCATION UNION - ACT DIVISION

The additional financial data presented on the following page is in accordance with the books and records of the Association, which have been subjected to the auditing procedures applied in our statutory audit of the Association for the financial year ended 30 June 2005. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than the National Tertiary Education Union – Act Division) in respect of such data, including any errors of omissions therein however caused.

PKF – Di Bartolo Diamond & Mihailaros

A handwritten signature in black ink, appearing to be 'J. Mihailaros', written over a faint, larger signature.

John Mihailaros  
Partner

Dated: 5/4/06

NATIONAL TERTIARY EDUCATION UNION - ACT DIVISION

PRIVATE INFORMATION FOR THE COMMITTEE OF MANAGEMENT ON THE 2005  
FINANCIAL STATEMENTS

INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$	2004 \$
<b>INCOME</b>		
Capitation	367,231	341,661
Interest	18,036	17,595
Contributions	14,000	14,493
Other professional income	12,500	12,507
Other income	-	185
<b>TOTAL INCOME</b>	<b>411,767</b>	<b>386,441</b>
<b>LESS EXPENSES</b>		
Salaries and wages	204,686	189,836
Superannuation	34,076	32,260
Payroll tax	14,140	12,987
Rent	12,500	12,416
Insurance	9,730	7,460
TLC Affiliation	5,156	5,977
Long service leave	6,723	5,043
Amortisation	2,888	2,888
Computer expenses	923	2,831
Audit fees	1,950	1,850
Magazines, journals and periodicals	799	1,546
Telephone	1,713	1,254
Printing and stationery	452	1,124
Administration costs	6,250	998
Traveling expenses	955	984
Consultancy fees	1,534	813
Operating expenses	2,744	720
Hire of plant and equipment	695	403
Repairs and maintenance	204	383
Leasing charges	537	318
Donations	1,000	150
Bank charges	76	124
Postage	134	37
Staff training and welfare	7,645	-
Recruitment program	926	-
Purchase of minor plant and equipment	1,073	-
Depreciation	1,600	-
Holiday pay	(3,603)	(1,635)
<b>TOTAL EXPENSES</b>	<b>317,506</b>	<b>280,767</b>
<b>OPERATING SURPLUS/ (DEFICIT)</b>	<b>94,261</b>	<b>105,674</b>

These financial statements should be read in conjunction with the attached Disclaimer.

**NATIONAL TERTIARY EDUCATION UNION - ACT DIVISION**

**CERTIFICATE BY MEMBERS OF THE COMMITTEE**

I, Judith Pabian of NTEU ACT Division and I, Neil Mudford of NTEU ACT Division, certify that:

- (a) We are members of the Committee of National Tertiary Education Union - ACT Division.
- (b) We are authorised by the attached resolution of the committee to sign this certificate.
- (c) This annual statement was submitted to the members of the committee of Management of the Association at its annual general meeting.

Dated this 27<sup>th</sup> day of April 2006



\_\_\_\_\_  
Judith Pabian (Committee Member)



\_\_\_\_\_  
Neil Mudford (Committee Member)