



**Australian Government**

**Australian Industrial Registry**

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Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
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Dr Ute Mueller  
President  
National Tertiary Education Industry Union  
Edith Cowan University Branch  
Room 513/Building 8  
100 Joondalup Drive  
JOONDALUP WA 6027

Dear Dr Mueller

**RE: Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule) Financial Reports for year ended 30 June 2005 – FR2005/354**

I acknowledge receipt of the financial reports of the National Tertiary Education Industry Union – Edith Cowan University Branch for the year ended 30 June 2005. The documents were lodged in the Australian Industrial Registry on 30 December 2005.

The documents have been filed.

Although the documents have been filed, I make the following comment to assist you when you next prepare financial reports. You do not need to take any further action in respect of the financial reports already lodged.

**1. Operating Report**

**(a) significant changes in financial affairs**

The report must give details of any significant changes in the reporting unit's financial affairs during the year.

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 7764 (Mon-Tues) or by email at [dimitra.doukas@air.gov.au](mailto:dimitra.doukas@air.gov.au).

**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).

Yours sincerely,

Dimitra Doukas  
Statutory Services Branch

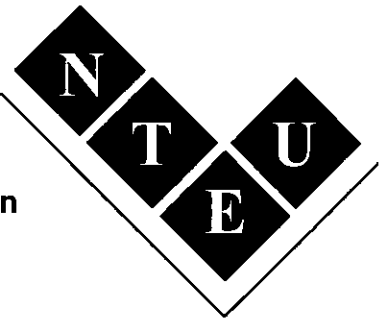
7 February 2006

**EDITH COWAN UNIVERSITY BRANCH**

Room 513/Building 8, 100 Joondalup Drive, Joondalup WA 6027  
Telephone: (08) 6304 5969 Facsimile: (08) 6304 5822

Email Address: [nteu@ecu.edu.au](mailto:nteu@ecu.edu.au)

**National  
Tertiary  
Education  
Industry  
Union**



16 December 2005

The Industrial Registrar  
Australian Industrial Registry  
Level 35, Nauru House  
80 Collins Street  
**MELBOURNE VIC 3000**

Dear Sir or Madam

**Industrial Returns for the National Tertiary Education Industry Union (Edith Cowan University Branch) for the year ending 30 June 2005.**

Please find enclosed:

- General Purpose Financial Report.
- Auditor's Report.
- Operating Report.
- Secretary's Certificate signed by Dr Alan Needham, Secretary of the Branch.
- Committee of Management Certificate signed by Dr Alan Needham.
- Newsletter (supplying members with a copy of the audited financial statements) and advising them that the financial statements will be presented at the Annual General Meeting (held on 29 November 2005).
- Notice advising members of Section 274 of the Workplace Relations Act 1996.

The meeting held on 29 November 2005 was the Annual General Meeting of Members of the ECU Branch and I confirm that the financial documents were provided to members at that meeting. I also confirm that copies of the financial statements (including reports listed above), were emailed to all members on 4 November 2005. Members who were on leave or do not have an email address were sent hard copies mailed to their home address on 4 November 2005.

Yours sincerely

**Dr Ute Mueller  
President, NTEU (ECU Branch)**

Encl.

# NOTICE TO MEMBERS OF THE NTEU (ECU BRANCH)

## FINANCIAL STATEMENTS FOR YEAR ENDING 30 JUNE 2005

### SECTION 274: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

#### **274(1) Application For Information**

A member of an organization, or a Registrar, may apply to the organization for specified prescribed information in relation to the organization.

#### **274(2) Provision of Information**

An organization shall, on application made under subsection (1) by a member of the organization or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.

#### **274(3) Function of Registrar**

A Registrar may only make an application under subsection (1) at the request of a member of the organization concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

#### **274(4) Notice in Accounts**

Accounts prepared under section 273 shall include a notice drawing attention to subsections (1), (2) and (3) and setting out those subsections.

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### SECTION 273: ORGANISATION TO PREPARE ACCOUNTS ETC.

#### **273(1) Prescription**

As soon as practicable after the end of each financial year, an organization:

- (a) shall cause to be prepared from the accounting records kept by the organization under subsection 272(1) in relation to the financial year, such accounts and other statements, in relation to the financial year, as are prescribed; and
- (b) shall include in the accounts (other than accounts prepared in relation to the first financial year of the organization to which this Division applies) the relevant figures from the accounts prepared by the organization, under this subsection, in relation to the preceding financial year.

#### **273(2) Certificates**

The regulations may provide for the giving of certificates in, or in relation to, accounts or other statements prepared under subsection (1).

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### SECTION 272: ORGANISATION TO KEEP PROPER ACCOUNTING RECORDS

#### **272(1) Prescription** An organization shall:

- (a) keep such accounting records as correctly record and explain the transactions and financial position of the organization, including such records as are prescribed;
- (b) keep its accounting records in such a manner as will enable accounts and statements to be prepared from them under section 273; and
- (c) keep its accounting records in such a manner as will enable the accounts of the organization to be conveniently and properly audited under this Division.

#### **272(2) Cash or accrual basis**

Accounting records of an organization may, so far as they relate to the income and expenditure of the organization, be kept on a cash basis or accrual basis, at the option of the organization.

**NATIONAL TERTIARY EDUCATION**  
**INDUSTRY UNION**

**EDITH COWAN UNIVERSITY BRANCH**

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

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**NATIONAL TERTIARY EDUCATION INDUSTRY UNION**  
**(EDITH COWAN UNIVERSITY BRANCH)**

**OPERATING REPORT YEAR ENDED 30 JUNE 2005**

**2004/2005 Highlights**

Enterprise Bargaining between the NTEU (ECU Branch) and Edith Cowan University (ECU) Management occurred throughout the period July 2004 to April 2005. The ECU Academic Staff Certified Agreement 2003 was certified on 29 April 2005 and the ECU General Staff Certified Agreement 2003 was certified on 5 May 2005. These Agreements provided a number of significant benefits in the conditions of service of all academic and general staff at ECU, including a 15% salary increase over the three year period commencing on 1 July 2003. Both Agreements expire on 30 June 2006.

**Number of Members as at 30 June 2005**

**Four Hundred and Thirty Nine (439).**

*Three Hundred and Fifty One (351) Academic Staff*

*Eighty Eight General Staff (88)*

**Number of Employees**

One (1) Branch Executive Officer – 30 hours per week.

**Significant Changes**

The NTEU National Council endorsed the implementation of a common minimum membership fee of 1.0% to take effect from the first pay period after 1 March 2005. The ECU Branch fee was 0.95% prior to 1 March 2005. The reasons for endorsing the common minimum fee were:

- (a) The fee varied from Branch to Branch throughout Australia even though all members received the same service and benefits. Fees at some Branches were slightly higher than 1.0% and substantially lower at other Branches.
- (b) There was a need to employ additional staff to service members and, therefore, additional income was needed.

ECU Members were advised of this decision to increase membership dues to 1.0% at the Annual General Meeting held on 3 November 2004.

**Superannuation Trustees**

The superannuation fund used by the NTEU (ECU Branch) is UniSuper, Level 37, 385 Bourke Street, Melbourne Vic 3000 (Phone: 1800 331 685 Website: [www.unisuper.com.au](http://www.unisuper.com.au)).

No officer or member of the NTEU (ECU Branch) is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

No officer or member of the NTEU (ECU Branch) is a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

**Principal Activities of the Branch**

1. Industrial advice to members by Industrial Officer employed by the NTEU WA Division.
2. Consultation with members regarding Enterprise Bargaining (Round 4).
3. Consultation with Academic Staff Joint Consultative Committee on Enterprise Bargaining (Round 4) and academic matters in general.
4. Consultation with General Staff Joint Consultative Committee on Enterprise Bargaining (Round 4) and general staff matters in general.
5. Negotiation with university management on Enterprise Bargaining (Round 4).
6. Consultation with members and university management regarding university policies and procedures.

7. Union representation on university working parties.
8. Provision of services to members (e.g. legal service).
9. Supervision of branch administration, finance and industrial officer activities.
10. Branch Committee meetings held approximately every six weeks.
11. NTEU national participation in conferences, national strike action, national meetings.
12. Recruitment of new members.
13. Liaison with School Delegates.

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

Pursuant to Rule 11 of the NTEU Rules as certified by the Deputy Industrial Registrar on 5 May 2005, members have the right to resign by written notice to the Branch Secretary, and payment of dues by direct debit or credit card is cancelled thereby. Authorising the cancellation of payment of dues by payroll deduction is separate to resignation from the union and is the responsibility of the member. Resignation procedure is advised on the NTEU website [www.nteu.org.au](http://www.nteu.org.au) and on membership application material.

### **Membership of the Committee of Management**

There are a total of fifteen (15) elected positions on the Committee of Management comprising the President, Vice-President (Academic Staff), Vice-President (General Staff), Ordinary Committee Member (Academic Staff), Ordinary Committee Member (General Staff), Ordinary Committee Member (Indigenous) and nine (9) Ordinary Committee Members. Elections are held every two years and the term of office runs from 1 October to 30 September. Various changes occur during the term of office as members leave ECU. When a member leaves, their position becomes vacant and can be filled by co-option. Members interested in being co-opted are nominated and the nominations are presented at a Committee of Management Meeting. The co-option of new members onto the Committee of Management has to be endorsed by a majority vote.

The Treasurer is not an elected position but is appointed by the Committee of Management. John May was the appointed Treasurer for the reporting period.

Membership of the Committee of Management from 1 July 2004 to 30 June 2005 was as follows:

Name	Position	From	To
<b>President</b>	Mr John May	1 July 2004	24 June 2005
	Ute Mueller	24 June 2005	30 June 2005
<b>Vice-President (Academic)</b>	Dr Ute Mueller	1 July 2004	24 June 2005
	A/Prof Lyn Bloom	24 June 2005	30 June 2005
<b>Vice-President (General)</b>	Ms Naomi Yellowlees	1 July 2004	30 September 2004
	Mr Paul Halfpenny	1 October 2004	20 May 2005
	Mr Clinton Moore-Crouch	20 May 2005	30 June 2005
<b>Secretary</b>	Dr Alan Needham	1 July 2004	30 June 2005
<b>Ordinary Committee Member (Academic Staff)</b>	A/Prof Lyn Bloom	1 July 2004	30 September 2004
	Dr Moira O'Connor	1 October 2004	30 June 2005
<b>Ordinary Committee Member (General Staff)</b>	Ms Naomi Yellowlees	1 October 2004	30 June 2005
<b>Ordinary Committee Member (Indigenous Member)</b>	Ms Lorna Corbett	1 April 2005	30 June 2005
<b>Ordinary Committee Member</b>	Dr Ian Bennett	1 July 2004	30 June 2005
<b>Ordinary Committee Member</b>	A/Prof Lyn Bloom	1 October 2004	24 June 2005
<b>Ordinary Committee Member</b>	Ms Kerry Evans	1 July 2004	30 June 2005
<b>Ordinary Committee Member</b>	Dr Lorna Kaino	1 July 2004	30 June 2005
<b>Ordinary Committee Member</b>	A/Prof Adrienne Kinnear	20 May 2005	30 June 2005
<b>Ordinary Committee Member</b>	Dr Norman Leslie	1 July 2004	30 September 2004
<b>Ordinary Committee Member</b>	Dr Geoff Lummis	1 October 2004	30 June 2005
<b>Ordinary Committee Member</b>	Mr Peter Quayle	1 October 2004	31 December 2004
<b>Ordinary Committee Member</b>	Dr David Wiles	1 July 2004	30 June 2005

As the above table indicates, there were a number of changes to the Committee of Management from 1 July 2004 to 30 June 2005. The changes were as follows:

**John May**

- President as at 1 July 2004.
- Re-elected as President for a two year term from 1 October 2004.
- Resigned as President - effective from 24 June 2005.
- Remained as Treasurer until completion of the 2004/2005 audit.

**Ute Mueller**

- Vice-President (Academic Staff) as at 1 July 2004.
- Re-elected as Vice-President (Academic Staff) for a two year period from 1 October 2004.
- Co-opted as President to replace John May from 24 June 2005.

**Lyn Bloom**

- Ordinary Committee Member (Academic Staff) as at 1 July 2004.
- Elected as an Ordinary Committee Member for a two year term from 1 October 2004.
- Co-opted as the Vice-President (Academic Staff) to replace Ute Mueller from 24 June 2005.

**Naomi Yellowlees**

- Vice-President (General Staff) as at 1 July 2004.
- Elected as an Ordinary Committee Member (General Staff) for a two year period from 1 October 2004.

**Paul Halfpenny**

- Elected as Vice-President (General Staff) for a two year period from 1 October 2004.
- Terminated his employment with ECU and resigned his position as Vice-President (General Staff) on 20 May 2005.

**Clinton Moore-Crouch**

- Elected as an Ordinary Committee Member for a two year period from 1 October 2004.
- Co-opted as the Vice-President (General Staff) to replace Paul Halfpenny from 20 May 2005.

**Peter Quayle**

Terminated his employment with ECU on 5 January 2005. Resigned from his position as Ordinary Committee Member on 31 December 2004.

**Adrienne Kinnear**

Co-opted as an Ordinary Committee Member on 20 May 2005.

**Lorna Corbett**

- The position of Ordinary Committee Member (Indigenous) was not filled in the election conducted for the term of office from 1 October 2004 to 30 September 2006.
- A Supplementary Election was conducted in March 2005 and Lorna Corbett was elected as the Ordinary Committee Member (Indigenous) from 1 April 2005 to 30 September 2006.

Signed: \_\_\_\_\_

John May (Treasurer, NTEU ECU Branch)

Dated: \_\_\_\_\_

6/10/05.



**NATIONAL TERTIARY EDUCATION INDUSTRY UNION**  
**EDITH COWAN UNIVERSITY BRANCH**

**CERTIFICATE OF SECRETARY OR OTHER AUTHORISED OFFICER**  
**s268 of Schedule 1B *Workplace Relations Act 1996***

I, Alan Dennis Needham, being the Secretary of the Edith Cowan University Branch of the National Tertiary Education Industry Union certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- that the full report, was provided to members on 4 November 2005; and
- that the full report was presented to a general meeting of members of the reporting unit on 29 November 2005; in accordance with section 266 of the RAO Schedule.

Signature:

  
\_\_\_\_\_  
Alan Needham (Secretary, NTEU ECU Branch)

Date:

29-11-05  
\_\_\_\_\_

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION**  
**EDITH COWAN UNIVERSITY BRANCH**

**COMMITTEE OF MANAGEMENT STATEMENT**

On 7 October 2005 the Committee of Management of the National Tertiary Education Industry Union – Edith Cowan University Branch (NTEU-ECU) passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2005:

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 the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
  - (vi) no orders have been made by the Commission under Section 273 of the RAO schedule during the relevant period.

For Committee of Management: Alan Needham, *per section 243 of the RAO Schedule*

Title of Office held: Secretary

Signature:



Date:

7-10-05

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION**  
**EDITH COWAN UNIVERSITY BRANCH**

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

	Note	2005	2004
Revenue from ordinary activities	2	263,747	249,584
NTEU - WA State Division Capitation and Levies		(66,970)	(68,400)
NTEU – National Office Capitation and Levies		(107,388)	(89,064)
Depreciation expense		(3,533)	(1,131)
Secretarial Services ASA-ECU		-	(21,077)
Industrial Officer Wage Subsidy		-	(1,910)
Time Release for President		(5,000)	(5,000)
Telephone expense		(4,036)	(3,732)
WA Division NTEU Payroll Tax Liability	3	-	(14,080)
WA Division NTEU Staff Leave Liability	3	-	(10,006)
NTEU - National Office Executive Remuneration		(43,288)	(27,172)
Executive Officer Entitlements Provision		(6,242)	-
NTEU (WA Division) Contribution Levy (Staff Redundancy)		(3,000)	-
Other expenses from ordinary activities		(14,449)	(14,191)
Surplus/(Deficit) from ordinary activities		<u>9,841</u>	<u>(6,179)</u>
Total changes in equity		<u>9,841</u>	<u>(6,179)</u>

The accompanying notes form part of these financial statements

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION**  
**EDITH COWAN UNIVERSITY BRANCH**

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

	Note	2005	2004
<b>CURRENT ASSETS</b>			
Cash assets	4	25,987	6,371
<b>TOTAL CURRENT ASSETS</b>		<b>25,987</b>	<b>6,371</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	6,042	9,575
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,042</b>	<b>9,575</b>
<b>TOTAL ASSETS</b>		<b>32,029</b>	<b>15,946</b>
<b>CURRENT LIABILITIES</b>			
Provisions	6	3,437	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,437</b>	<b>-</b>
<b>NON-CURRENT</b>			
Provisions	6	2,805	-
<b>TOTAL NON-CURRENT LIABILITES</b>		<b>2,805</b>	<b>-</b>
<b>TOTAL LIABILITES</b>		<b>6,242</b>	<b>-</b>
<b>NET ASSETS</b>		<b>\$25,787</b>	<b>\$15,946</b>
<b>EQUITY</b>			
Accumulated Surplus	7	25,787	15,946
<b>TOTAL EQUITY</b>		<b>\$25,787</b>	<b>\$15,946</b>

The accompanying notes form part of these financial statements.

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION**  
**EDITH COWAN UNIVERSITY BRANCH**

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

	Note	2005	2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members		283,197	237,209
Contributions from ASA-ECU		6,000	30,000
Sundry receipts		-	2,857
Payments to suppliers and employees		(269,719)	(275,244)
Interest received		138	130
Net cash provided by operating activities	8(b)	19,616	(5,048)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed asset purchases		-	(10,706)
Net cash provided by (used in) investing activities		-	(10,706)
Net increase in cash held		19,616	(15,754)
Cash at the beginning of the financial year		6,371	22,125
Cash at the end of the financial year	8(a)	25,987	6,371

The accompanying notes form part of these financial statements.

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION**

**EDITH COWAN UNIVERSITY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2005**

**Note 1: Statement of Significant Accounting Policies**

This 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 requirements of the Workplace Relations Act 1996, as amended.

The financial report has been prepared on an accrual basis and is based on historic costs and does not take into account changing money values. The preparation of the financial report on an accruals basis is a change in accounting policy from prior years.

The accounts have been prepared on a going concern basis. The ability for the union to continue as a going concern is dependent on receiving membership dues.

The following is a summary of the material accounting policies adopted by the National Tertiary Education Industry Union – Edith Cowan University Branch (NTEU-ECU) in the preparation of this financial report.

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

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

**Plant and Equipment**

Plant and equipment are measured on a cost basis.

The carrying amount of plant and equipment is reviewed annually by the entity to ensure it is not in excess of the recoverable amount from 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 present values in determining recoverable amounts.

**Depreciation**

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Office equipment	33%

(b) **Income Tax**

The union is exempt from income tax.

(c) **Revenue**

Membership income and interest income is brought to account when received.

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION**

**EDITH COWAN UNIVERSITY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2005**

**Note 1: Statement of Significant Accounting Policies (cont'd)**

- (d) Cash  
For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.
- (e) 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 Tax 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 the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.
- (f) Comparatives  
Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year information and other disclosures.
- (g) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards  
The Union is preparing and managing the transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) effective for the financial years commencing 1 January 2005. The adoption of AIFRS will be reflected in the Union's financial statements for the year ending 30 June 2006. On the first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 July 2004.

The Committee of Management, along with its auditors, have assessed the significance of the expected changes and are preparing for their implementation. The impact of the alternative treatments and elections under AASB1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards has been considered where applicable.

The committee members are of the opinion that the key material differences in the Union's accounting policies on conversion to AIFRS and the financial effect of these differences where known are as follows.

Users of the financial statements should note, however, that the amounts disclosed could change if there are any amendments by standard-setters to the current AIFRS, or interpretation of the AIFRS requirements changes.

- **Impairment of Assets**

Under AASB 136: Impairment of Assets, the recoverable amount of an asset is determined as the higher of fair value less costs to sell and value in use. In determining value in use, projected future cash flows are discounted using a risk adjusted pre-tax discount rate and impairment is assessed for the individual asset or at the 'cash generating unit' level. A 'cash generating unit' is determined as the smallest group of assets or groups of assets. The current policy is to determine the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the asset's use and subsequent disposal. It is likely that this change in accounting policy will lead to impairments being recognized more often.

The Union has reassessed its impairment testing policy and tested all assets for impairment at 1 July 2005. The Union is of the opinion that the change will not be material.

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION**

**EDITH COWAN UNIVERSITY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2005**

	2005	2004
	\$	\$
<b>Note 2: Revenue</b>		
Operating activities		
- academic staff subscriptions	223,483	190,688
- general staff subscriptions	34,126	25,909
- sundry income	-	2,857
- contributions from ASA-ECU	6,000	30,000
	<u>263,609</u>	<u>249,454</u>
Non-operating activities		
- interest received	138	130
Total Revenue	<u>263,747</u>	<u>249,584</u>

**Note 3: Profit from Ordinary Activities**

Profit from ordinary activities has been determined after:

(a) Expenses

Remuneration of auditor		
- audit or review services	1,200	850
- other services	-	-
Total remuneration	<u>1,200</u>	<u>850</u>
Depreciation of property, plant & equipment	<u>3,533</u>	<u>1,131</u>

(b) Significant Revenues and Expenses

The following revenue and expense items are relevant in explaining the financial performance:

WA Division NTEU Payroll Tax Liability	-	14,080
WA Division NTEU Staff Leave Liability	-	10,006

**Note 4: Cash Assets**

Cash at Bank	25,887	6,271
Petty Cash	100	100
	<u>25,987</u>	<u>6,371</u>



**NATIONAL TERTIARY EDUCATION INDUSTRY UNION**

**EDITH COWAN UNIVERSITY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2005**

	2005 \$	2004 \$
<b>Note 5: Property, Plant And Equipment</b>		
Office Equipment- at cost	10,706	10,706
Less accumulated depreciation	(4,664)	(1,131)
	<u>6,042</u>	<u>9,575</u>
<b>Note 6: Provisions</b>		
<b>CURRENT</b>		
Provision for Executive Officer Leave Entitlements	<u>3,437</u>	-
<b>NON-CURRENT</b>		
Provision for Executive Officer Leave Entitlements	<u>2,085</u>	-
<b>Note 7: Accumulated Surplus</b>		
Accumulated surplus at the beginning of the financial year	15,946	22,125
Net surplus/(deficit) attributable to the entity	9,841	(6,179)
Accumulated surplus at the end of the financial year	<u>25,787</u>	<u>15,946</u>
<b>Note 8: Cash Flow Information</b>		
<b>(a) Reconciliation of Cash</b>		
Cash at Bank	25,887	6,271
Cash on hand	100	100
	<u>25,987</u>	<u>6,371</u>
<b>(b) Reconciliation of Net Cash provided by operating activities to the surplus/(deficit) from Ordinary Activities</b>		
Surplus/(deficit) from ordinary activities	9,841	(6,179)
Non-cash flows in surplus/(deficit) from ordinary activities:		
Depreciation	3,533	1,131
Increase in Provisions	6,242	-
Net cash provided by (used in) operating activities	<u>19,616</u>	<u>(5,048)</u>

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION**  
**EDITH COWAN UNIVERSITY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2005**

2005                      2004  
 \$                              \$

**Note 9:            Financial Instruments**

(a) **Interest Rate Risk**

The entity'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 those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing			
	2005	2004	2005	2004	Within 1 year		1 to 5 years	
	%	%	\$	\$	\$	\$	\$	\$
FINANCIAL ASSETS								
Cash	.10	.10	25,987	6,371	-	-	-	-
TOTAL FINANCIAL ASSETS	<b>.10</b>	<b>.10</b>	<b>25,987</b>	<b>6,371</b>	-	-	-	-

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

(c) **Net Fair Values**

Methods and assumptions used in determining net fair value

For all 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

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 10:            Segment Reporting**

The entity operates in one geographical and business segment, being a union for the benefit of members of Edith Cowan University in Australia.

**Note 11:            Entity Details**

Principal place of business of the entity is:

NTEU –ECU Branch  
 Room 513/Building 8  
 100 Joondalup Drive  
 JOONDALUP WA 6027

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION**  
**EDITH COWAN UNIVERSITY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2005**

	2005	2004
	\$	\$

**Note 12: Related Parties**

The names of the members of the committee during the financial year were:

John May (President until 24 June 2005), Dr Ute Mueller (Vice-President – Academic until 24 June 2005 and then President to end of financial year), Naomi Yellowlees (Vice-President-General until 30 September 2004 then Ordinary Committee Member General Staff from 1 October 2004), Dr Alan Needham (Secretary), A/Prof Lyn Bloom (Ordinary Committee Member (Academic Staff) until 30 September 2004 then Ordinary Committee Member until 24 June 2005, then Vice-President (Academic Staff) from 24 June 2005), Dr Ian Bennett, Ms Lorna Corbett (Indigenous Member from 1 April 2005), Ms Kerry Evans, Mr. Paul Halfpenny (Vice-President General Staff from 1 October 2004 until 20 May 2005), Dr Lorna Kaino, A/Prof Adrienne Kinnear (from 20 May 2005), Mr Norman Leslie (from 1 July until 30 September 2004), Dr Geoffrey Lummis (from 1 October 2004), Mr Clinton Moore-Crouch, (Ordinary Committee Member from 1 October 2004 then Vice-President General Staff from 20 May 2005), Dr Moira O'Connor (Ordinary Committee Member till 30 September 2004 then Ordinary Committee – Academic Staff from 1 October 2004), Mr Peter Quayle (from 1 October until 31 December 2004), Dr David Wiles,

**Other Related Party Transactions**

(a) NTEU-WA State Division and NTEU National Office

The NTEU-ECU branch has transactions with both the NTEU-WA State Division (WA Division) and NTEU National Office, all of these transactions are on normal commercial terms and conditions.

Capitation fees are paid to the WA Division; the amounts payable are determined by the NTEU National Office. In 2005 these totalled \$66,970 (2004 \$68,400). A one-off payment to the WA Division as a contribution towards a staff redundancy package was also made during the financial year of \$3,000 (2004 \$24,086).

Capitation fees and defence fund levy paid to the NTEU National Office totalled \$107,388 (2004 \$89,064). Again these amounts are determined by the NTEU National Office.

The NTEU National Office employs the NTEU-ECU Branch Executive Officer. All costs incurred in employing staff on behalf of NTEU-ECU including wages and salaries, superannuation and payroll tax are reimbursed by the NTEU-ECU branch. These costs totalled \$43,288 during the financial year (2004 \$27,172). The estimated employee entitlement for the Executive Officer as at 30 June 2005 is \$6,242 (2004 \$3,710) this amount is provided for in the financial statements (Note 6).

At balance date no amount is payable or receivable from either the WA Division or the NTEU National Office.

(b) Academic Staff Association of Edith Cowan University (ASA-ECU)

Transactions with ASA-ECU are on normal commercial terms and conditions.

Prior to 5 January 2004 the Executive Officer was employed by ASA-ECU. The actual costs incurred in employing the executive officer for this period were reimbursed by NTEU-ECU. These costs totalled \$21,077 in the 2004 year (2005 nil).

NTEU-ECU also received \$6,000 (2004 \$3,000) from ASA-ECU \$1,000 for the provision of secretarial support and \$5,000 for leave entitlements accrued whilst the Executive Officer was employed by ASA-ECU.

The committee of NTEU-ECU has also resolved to reimburse and indemnify to the extent necessary ASA-ECU against all reasonable future costs associated with servicing the members of the ASA-ECU.

At balance date no amount is payable or receivable from ASA-ECU.

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION**  
**EDITH COWAN UNIVERSITY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2005**

2005	2004
\$	\$

**Note 13: Reporting guidelines**

In accordance with Section 255 of the Workplace Relations Act 1996, as amended the following information is provided:

- a) no amount was paid in 2004 or 2005 to Edith Cowan University as consideration for the employer making payroll deductions of membership subscriptions;
- b) no amount was paid in 2004 or 2005 for legal costs or expenses related to litigation or other legal matters.

**Note 14: Members' access to financial records**

Section 272 of Schedule 1B of the Workplace Relations Act 1996, states:

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the 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 subsection (1).

**INDEPENDENT AUDIT REPORT**  
**TO THE MEMBERS OF**  
**THE NATIONAL TERTIARY EDUCATION INDUSTRY UNION**

**EDITH COWAN UNIVERSITY BRANCH**

**SCOPE**

We have audited the attached financial report of the National Tertiary Education Industry Union – Edith Cowan Branch (NTEU-ECU) comprising of the Committee of Management Statement, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to and forming part of the Financial Statements of the NTEU-ECU for the year ended 30 June 2005. The NTEU-ECU Committee of Management is responsible for the financial report. We have conducted an independent audit of the 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 Workplace Relations Act 1996, as amended, and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the union'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 general purpose financial report of NTEU-ECU is presented fairly in accordance with Applicable Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996.

PRIESTLEY & MORRIS  
Chartered Accountants

*C Thomson*  
C THOMSON ACA  
PARTNER

Date: 18 / 10 / 05

Address: Perth, W.A

Level 1 734 Albany Highway Victoria Park WA 6100  
PO Box 1267 East Victoria Park WA 6981

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Tel (08) 9470 2133 Fax (08) 9470 2933 email@priestleys.com.au Partners GJ Abdy MH Randall C Thomson

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**COMPILATION REPORT**  
**TO THE MEMBERS OF**  
**THE NATIONAL TERTIARY EDUCATION INDUSTRY UNION**

**EDITH COWAN UNIVERSITY BRANCH**

**SCOPE**

On the basis of information provided by the Committee of Management of NTEU – ECU we have compiled in accordance with APS 9 'Statement on Compilation of Financial Reports' the special purpose financial report comprising of the Statement of Income and Expenditure of the NTEU-ECU for the year ended 30 June 2005.

The special purpose for which the special purpose financial report has been prepared is to provide financial information to the members. Accounting Standards and other mandatory professional reporting requirements have not been adopted in the preparation of the special purpose financial report.

The Committee of Management is solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent with the financial reporting requirements of the entity's rules and are appropriate to meet the needs of the Committee of Management for the purposes of complying with the rules of the entity.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Committee of Management provided, into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the entity, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the entity and its members for the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

*C Thomson*

C THOMSON  
Director

Date: 18 / 10 / 05

Level 1, 734 Albany Highway  
VICTORIA PARK WA 6100

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**NATIONAL TERTIARY EDUCATION INDUSTRY UNION**  
**EDITH COWAN UNIVERSITY BRANCH**

**STATEMENT OF INCOME & EXPENDITURE**  
**FOR THE YEAR ENDED 30 JUNE 2005**

	2005	2004
<b>INCOME</b>		
Academic Staff Subscriptions (Gross)	221,740	190,688
General Staff Subscriptions	34,014	25,909
Membership Subscriptions (net from Federal Office)	1,855	-
NTEU WA Division General Staff Dues	-	(10,404)
Capitation paid to Nat Office	(85,148)	(73,928)
Defence Fund paid to Nat Office	(17,478)	(15,136)
Equal and Adjustment Fund paid to Nat Office	(4,762)	-
Capitation Paid to WA Division	(66,970)	(57,996)
Interest	138	130
Sundry	-	2,857
Contributions from ASA of ECU	6,000	30,000
<b>TOTAL INCOME</b>	<b>89,389</b>	<b>92,120</b>
<b>EXPENDITURE</b>		
Audit	1,200	850
Bank Charges	165	157
Conferences	-	1,163
Depreciation	3,533	1,131
Division Payroll Tax Liability	-	14,080
Entertainment & Hospitality	263	97
Gifts	53	60
Insurance Premiums	3,239	1,116
Industrial Action Expenses	398	616
Industrial Officer Wage Subsidy	-	1,910
IT Software	891	1,221
Meeting & conferences	228	742
Parking	172	168
Petty Cash	594	834
Photocopying	264	102
Postage & Couriers	82	258
Payroll Tax	2,336	1,450
Recruitment	-	170
Repairs & Maintenance	127	
Secretarial Services ASA of ECU	-	21,077
Stationery / Office Supplies	2,504	1,796
Sundry Expenses	73	2,611
Telephone	4,036	3,732
Time Release for President	5,000	5,000
Travelling	-	560
Unions WA Levy	1,860	1,669
WA Div Staff Leave Liability		10,006
WA Div (contribution to staff redundancy payment)	3,000	
Executive Officer Remuneration	43,288	25,723
Executive Officer Entitlements	6,242	-
<b>TOTAL EXPENDITURE</b>	<b>79,548</b>	<b>98,299</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>9,841</b>	<b>\$(6,179)</b>

To be read in conjunction with the attached compilation report of Priestleys Chartered Accountants.