



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

Level 5  
11 Exhibition Street, Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7993  
Fax: (03) 9655 0410

Mr M. McGowan  
Division Secretary  
National Tertiary Education Industry Union  
Victorian Division  
PO Box 1324  
SOUTH MELBOURNE VIC 3205

Dear Mr. McGowan

**Re: Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule)  
Financial reports for year ended 30 June 2006 - FR 2006/316**

Reference is made to the financial reports of the Victorian Division of the National Tertiary Education Industry Union for the year ended 30 June 2006. The documents were lodged in the Industrial Registry on 20 November 2006.

The financial documents have been filed.

I direct your attention to the following comments concerning the above reports and the financial reporting obligations under Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule). Please note that these matters are advised for assistance in the future preparation of financial reports. No further action is required in respect of the subject documents.

**1. Timescale Requirements**

Financial reports should be prepared, audited, supplied to members, presented to a meeting and lodged in the Industrial Registry within certain timescale requirements.

From the information available, the reports were provided to members on 9 October 2006 and presented to a Division Executive Committee meeting on 2 November 2006.

Given that the committee of management statement and operating report are both dated 10 November 2006 and the auditor's report is dated 17 November 2006 it would appear that such documents supplied to members were unsigned and undated.

Would you please ensure in future when supplying members with financial documents as required by subsection 265(5) of the RAO Schedule that such documents are signed and dated.

**2. Statement of Financial Performance**

Section 237(1) of the RAO Schedule requires an organisation to lodge in the Industrial Registry within 90 days after the end of each financial year a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 made by the organisation during the financial year.

Inspection of the detailed income statement indicates a disclosure "Donations" of \$1,355.

If appropriate, would you please arrange lodgment in the Industrial Registry of a section 237(1) statement covering any donation exceeding \$1,000, setting out particulars of any donation in accordance with subsection 237(6).

### **Electronic Lodgment**

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'.

Larry Powell  
Statutory Services Branch

29 November 2006



Telephone: 03 9882 0566 Facsimile: 03 9882 0436  
1st floor 586 Burke Road Camberwell Victoria 3124  
PO Box 1300 Camberwell Victoria 3124  
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ABN: 74 135 421 190



Chartered Accountants

17th November 2006

Mr Iain Stewart  
Manager Team 3  
Statutory Services Branch  
Australian Industrial Registry  
GPO Box 1994  
MELBOURNE VIC 3001

Dear Iain

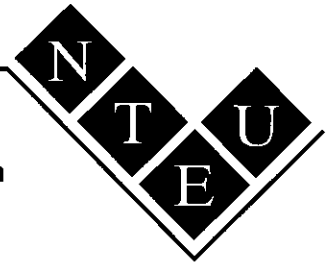
We enclose on behalf of the NTEIU Victorian Division a duly signed copy of their 2006 financial statements for your records and a signed secretary's certificate.

Yours sincerely,  
Lockwood Wehrens

Andrew Wehrens  
Partner

Encls.

**National  
Tertiary  
Education  
Industry  
Union**



**VICTORIAN DIVISION**

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION**

**Secretary's Certificate**

I, Matthew McGowan, Victorian Division Secretary of the National Tertiary Education Industry Union certify that:

1. The auditor's report, the accounts and statements, and the certificates of the accounting officer and of the Branch Committee for the financial year ending 30 June 2006 were:
  - distributed to members free of charge on the web site 9 October 2006.
  - forwarded advice regarding audited accounts and direct URL link to audited accounts to members by e-mail on 9 October 2006.
2. The enclosed documents are copies of the auditor's report, the accounts and statements, the certificates of the accounting officer and of the Branch Committee, prepared for the Division in accordance with the Act for the financial year ending 30 June 2006 and are as presented to a meeting of the members of the Victorian Division Executive Committee on Thursday 2 November 2006.

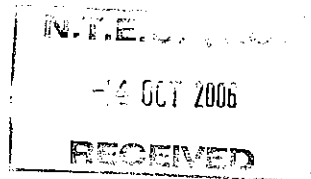
**Signed:**

**Matthew McGowan  
DIVISION SECRETARY**

**Date: Friday 10 November 2006**

R:\Division\Committees\Executive\2006\April 2006\SERETARY'S CERTIFICATE 30\_06\_2005.doc

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION  
GENERAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED  
30th JUNE 2006  
*Full Report***



**NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION**

**CERTIFICATE OF SECRETARY OR OTHER AUTHORISED OFFICER**

I, Mr Matthew McGowan, being the Division Secretary of National Tertiary Education Industry Union – Victorian Division (the reporting unit) certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule;
- that the full report was provided to members on 9 October 2006 . 2006; and
- that the full report was presented to a general meeting of the members of the reporting unit on 14 September 2006, in accordance with section 266 of the RAO Schedule.

Signature: \_\_\_\_\_

Date: 10 NOVEMBER . 2006

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION**

**OPERATING REPORT FOR THE YEAR ENDED 30th JUNE 2006**

**Principal Activities**

The principal activities of the Division 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 Division'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 Division.

**Significant Changes in the Nature of Principal Activities**

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

**Significant Changes in the Division's Financial Affairs**

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

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

No officer or member of the Division was a Trustee or Director of a Trustee Company of a Superannuation Entity or an Exempt Public Sector Superannuation Scheme because they are an officer or a member of a registered organisation.

**Number of Members**

The number of persons who, at the end of the financial year, were recorded on the Register of Members was 9,430 (2005 - 9,786).

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION**

**OPERATING REPORT FOR THE YEAR ENDED 30th JUNE 2006 (Continued)**

**Number of Employees**

The number of persons who were, at the end of the financial year, employees of the Division was 18.6 (including four part time employees) measured on a full time equivalent basis.

**Members of the Committee of Management**

The persons who held office as members of the Committee of Management of the Division at the beginning of the financial year were:

Division President	Jeannie Rea
Acting Division President	Christine Holmes
Division Vice-President (Academic)	Carol Williams
Division Vice-President (General)	Vacant
Division Secretary	Matthew McGowan
Assistant Secretary	Glenis Davey
Committee Member	Phil Andrews
Committee Member	Michael Barry
Committee Member	Andrea Brown
Committee Member	Sean Cooney
Committee Member	Bill Deller
Committee Member	Jamie Doughney
Committee Member (General)	Brian Hughes
Committee Member	David Kinder
Committee Member	Geoff Leonard
Committee Member (Indigenous)	Celeste Liddle
Committee Member	Virginia Mansel Lees
Committee Member	Neville Millen
Committee Member	Kate Patrick
Committee Member	Jeanette Pierce
Committee Member	Neil Robinson
Committee Member (Academic)	Jeremy Smith

There were no changes to the composition of the Committee of Management during the financial year 1<sup>st</sup> July 2005 to 30<sup>th</sup> June 2006 unless mentioned above.



**NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION**

**OPERATING REPORT FOR THE YEAR ENDED 30th JUNE 2006 (Continued)**

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

Members may resign from the organisation in accordance with Rule 11 (Resignation from Membership) which reads as follows:

- 11.1 A member may resign from membership by written notice addressed and delivered to the member's Division Secretary or Branch Secretary provided that:
- (a) Where a written notice of resignation is received by a Division Secretary, he or she shall as soon as practicable forward a copy of the notice of resignation to the appropriate Branch Secretary;
  - (b) Where a written notice of resignation is received by a Branch Secretary, he or she shall as soon as practicable forward a copy of the notice of resignation to the relevant Division Secretary.
- 11.2 A notice of resignation from membership takes effect:
- (a) where the member ceases to be eligible to become a member of the Union
    - (i) on the day on which the notice is received by the Union; or
    - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is later; or
  - (b) in any other case:
    - (i) at the end of two weeks, or if permitted by law three months after the notice is received by the Union; or
    - (ii) on the day specified in the notice;whichever is later.
- 11.3 Any dues payable but not paid by a former member in relation to a period before the member's resignation took effect, may be sued for and recovered in the name of the Union in a court of competent jurisdiction, as a debt due to the Union.
- 11.4 A notice delivered to the Division Secretary or Branch Secretary shall be taken to have been received by the Union when it was delivered.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION

OPERATING REPORT FOR THE YEAR ENDED 30th JUNE 2006 (Continued)

- 11.5 A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with sub-rule 1 of this rule.
- 11.6 A resignation from membership is valid even if it is not effected in accordance with this rule if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.
- 11.7 Cessation of payment of any dues, levies and other amounts by a member does not, of itself, terminate membership of the Union.

Name MATTHEW MCGOWAN.

Title DIVISION SECRETARY.

Signature .

Date: 10 / 11 / 2006

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION**

**COMMITTEE OF MANAGEMENT STATEMENT**

On 14 SEPTEMBER . 2006, the Committee of Management of National Tertiary Education Industry Union – Victorian Division (the reporting unit) passed the following resolution in relation to the General Purpose Financial Report (GPFR) of the reporting unit for the year ended 30th June 2006:

The Committee of Management declares that 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 this 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 National Tertiary Education Industry Union, including the Division rules;
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of National Tertiary Education Industry Union, including the rules concerning Divisions of that union;
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations;
  - (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 National Tertiary Education Industry Union;
  - (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;

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION**

**COMMITTEE OF MANAGEMENT STATEMENT (Continued)**

(vi) No orders for the inspection of financial records have been made by the Commission under section 273 of the RAO Schedule.

(f) in relation to the recovery of wages activity:

(i) there has been no such activity undertaken by the reporting unit.

**For the Committee of Management:** Mr Matthew McGowan

**Title of Office Held:** Division Secretary

**Signature:**  \_\_\_\_\_

**Date:** 10 NOVEMBER . 2006

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION**

**INCOME STATEMENT  
FOR THE YEAR ENDED 30th JUNE 2006**

	2006	2005
	\$	\$
Profit / (Loss) from Continuing Operations	(44,455)	1,008,575
Retained Profits at the beginning of the financial year	1,219,256	210,681
Retained Profits at the end of the financial year	<u>1,174,801</u>	<u>1,219,256</u>

The accompanying notes form part of these accounts.

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION**

**BALANCE SHEET  
AS AT 30th JUNE 2006**

	Note	2006 \$	2005 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	2	336,998	380,000
Trade and Other Receivables	3	210,926	191,596
Other	4	46,698	33,112
<b>TOTAL CURRENT ASSETS</b>		<b>594,622</b>	<b>604,708</b>
<b>NON CURRENT ASSETS</b>			
Plant & Equipment	5	609,331	186,227
Investments	6	1,135,312	1,135,312
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,744,643</b>	<b>1,321,539</b>
<b>TOTAL ASSETS</b>		<b>2,339,265</b>	<b>1,926,247</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	7	454,140	481,704
Employee Provisions	8	257,461	225,287
<b>TOTAL CURRENT LIABILITIES</b>		<b>711,601</b>	<b>706,991</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and Other Payables	7	452,863	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>452,863</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>1,164,464</b>	<b>706,991</b>
<b>NET ASSETS</b>		<b>1,174,801</b>	<b>1,219,256</b>
<b>MEMBERS' FUNDS</b>			
Retained Profits		1,174,801	1,219,256
<b>TOTAL MEMBERS' FUNDS</b>		<b>1,174,801</b>	<b>1,219,256</b>

The accompanying notes form part of these accounts.

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION**

**DETAILED INCOME STATEMENT  
FOR THE YEAR ENDED 30th JUNE 2006**

	Note	2006 \$	2005 \$
<b>INCOME</b>			
Membership Subscriptions		1,732,862	1,646,600
Interest Received		14,437	17,347
Rent Received	1(g)	112,792	82,589
Other Income		1,121	8,131
Gain on revaluation of investment in the FEU Unit Trust	1(f)	-	1,135,203
<b>DIVISION INCOME</b>		<u>1,861,212</u>	<u>2,889,870</u>
<b>EXPENDITURE</b>			
Accounting Fees		15,129	18,775
Affiliation Fees		40,117	37,191
Audit Fees		8,900	8,500
Bank Charges		1,449	1,033
Building Maintenance & Outgoings		15,280	147,516
Computer Expenses		17,241	765
Conference Expenses		23,854	28,702
Depreciation		64,778	31,542
Donations		1,355	-
FEU Library		11,908	11,376
FEU Outgoings – Previous year	1(g)	-	111,718
FEU Outgoings – This year	1(g)	159,721	(18,404)
Fringe Benefits Tax		16,881	20,579
Insurance		7,952	6,079
Interest		18,929	-
Leasing Charges		147	-
Legal Fees		8,579	21,203
Meeting Expenses		3,887	5,687
Motor Vehicle Expenses		49,882	52,466
Payroll Tax		65,669	51,907
Postage & Couriers		4,372	7,139
Printing & Stationery		18,639	19,818
Provision for Annual Leave		29,168	9,634
Provision for Long Service Leave		3,006	(3,532)
Publications		28,630	21,693
Publicity		(4,548)	6,802
Repairs & Maintenance		103	170
Salaries - Elected Officials		85,578	76,433
Salaries - Employees		988,883	935,479
Staff Appointments		5,836	9,891
Sundry Expenses		29,250	24,240
Superannuation		187,055	189,314
Telephone & Internet		26,788	29,108
Time Release		1,106	2,219
Training		19,875	4,468
Workcover		(49,732)	11,784
<b>DIVISION EXPENDITURE</b>		<u>1,905,667</u>	<u>1,881,295</u>
<b>PROFIT / (LOSS) FROM CONTINUING OPERATIONS</b>		<u>(44,455)</u>	<u>1,008,575</u>

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30th JUNE 2006**

	2006	2005
	\$	\$
	Inflows (Outflows)	Inflows (Outflows)
Cash flows from Operating Activities		
Receipts from members	1,713,532	1,631,450
Interest received	14,437	17,347
Rent Received	112,792	82,589
Other income	1,121	8,131
Payments to suppliers & employees	(1,888,162)	(1,659,280)
	-----	-----
Net cash provided by / (used in) operating activities - Note B	(46,280)	80,237
	-----	-----
Cash flows from Investing Activities		
Purchases of fixed assets	(519,027)	(94,807)
Proceeds from sales of fixed assets	31,145	-
	-----	-----
Net cash (used in) investing activities	(487,882)	(94,807)
	-----	-----
Cash flows from Financing Activities		
Proceeds from borrowing	418,000	-
Repayment of borrowings	(8,995)	-
Proceeds from hire purchase funding	85,478	-
Repayment of hire purchase funding	(3,323)	-
	-----	-----
Net cash provided by financing activities	491,160	-
	-----	-----
Net (decrease) in cash and cash equivalents held	(43,002)	(14,570)
Cash and cash equivalents at the beginning of the financial year	380,000	394,570
	-----	-----
Cash and cash equivalents at the end of the financial year -- Note A	336,998	380,000
	=====	=====



**NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30th JUNE 2006**

	2006	2005
	\$	\$

Note A Reconciliation of Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money markets. Cash at the end of the financial year is shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash on Hand	750	500
Cash at Bank	12,651	43,427
Interest Bearing Deposits	323,597	336,073
	336,998	380,000
	336,998	380,000

Note B Reconciliation of net cash provided by operating activities to profit / (loss) from continuing operations

Profit / (loss) from continuing operations	(44,455)	1,008,575
Non-cash flows in profit from continuing operations:		
Depreciation	64,778	31,542
Gain on revaluation of investment	-	(1,135,203)
Changes in Assets & Liabilities:		
(Increase) / decrease in trade and other current receivables	(32,916)	(15,773)
(Increase) / decrease in other non-current assets	-	109
Increase / (decrease) in trade and other payables	(65,861)	184,885
Increase / (decrease) in employee provisions	32,174	6,102
	(46,280)	80,237
	(46,280)	80,237

The division has no credit stand-by or financing facilities in place.

There were no non-cash financing or investing activities during the period.

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30th JUNE 2006**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Trustees' accountability requirements under the Unions' Rules and the requirements under the Workplace Relations Act 1996.

The financial report covers the National Tertiary Education Industry Union – Victorian Division as an individual entity. The National Tertiary Education Industry Union is a registered organisation registered under the Workplace Relations Act 1996 and is domiciled in Australia. The National Tertiary Education Industry Union – Victorian Division is a division of that organisation.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

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

**(a) Fixed Assets**

Depreciation is provided on all fixed assets so as to write off the assets progressively over their estimated economic lives to the Division. The prime cost method of depreciation is used for all assets with the exception of motor vehicles, which are depreciated using the diminishing balance method.

Depreciation rates used for each class of assets are:

Class of asset	Depreciation Rate
Office Furniture and Equipment	7.5 – 50.0%
Leasehold Improvements	10.0%
Motor Vehicles	22.5%

**(b) Revenue**

Member subscription revenue is recognised when the respective fees have been deducted from the members' wages and salaries.

**(c) Provision for Employee Entitlements**

The provision relates to annual leave and long service leave and has been calculated on the basis of actual entitlements under appropriate awards, based on current wage rates.

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30th JUNE 2006**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**(d) Leases**

Leases of fixed assets where substantially all the risk and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the Division are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments. Including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

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

**(e) Income Tax**

No income tax has been provided, as the Division is exempt from income tax pursuant to section 50-15 of the Income Tax Assessment Act 1997, as amended.

**(f) Change in Accounting Policy**

The Division changed its accounting policy in the financial year ending 30 June 2005 relating to its investment in the Federation of Education Unions Unit Trust (FEU). The Division will now value its investments at fair value rather than cost. In order to comply with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors, the financial effect of this change in accounting policy has been to recognise the investment in the FEU at fair value, which required recognising an extraordinary revenue amount of \$1,135,203.

**(g) FEU Unit Trust**

As the Division has not been able to access audited financial statements of the FEU Unit Trust, these transactions have been accounted for based on unaudited financial information.

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30th JUNE 2006**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

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

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

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for 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 (1).

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

**(i) Economic Dependency**

The Division is not economically dependent on any other reporting units of the organisation.

**(j) Segment Reporting**

The reporting entity operates in one business and geographical segment being the provision of trade union services to its members in Victoria.

	2006	2005
	\$	\$
<b>2. CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	750	500
Cash at Bank	12,651	43,427
Interest Bearing Deposits	323,597	336,073
	336,998	380,000
<b>3. TRADE AND OTHER RECEIVABLES</b>		
Capitation Fees Accrued	207,927	189,348
Sundry Debtors	2,999	2,248
	210,926	191,596

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30th JUNE 2006**

	2006	2005
	\$	\$
<b>4. OTHER</b>		
Prepayments	29,702	2,880
GST Recoverable	16,996	30,232
	<u>46,698</u>	<u>33,112</u>
<b>5. PLANT &amp; EQUIPMENT</b>		
Office Furniture & Equipment – at Cost	71,229	209,629
Less Accumulated Depreciation	50,577	184,062
	<u>20,652</u>	<u>25,567</u>
Leasehold Improvements – at Cost	502,817	80,730
Less Accumulated Depreciation	35,757	-
	<u>467,060</u>	<u>80,730</u>
Motor Vehicles – at Cost	212,839	217,508
Less Accumulated Depreciation	91,220	137,578
	<u>121,619</u>	<u>79,930</u>
	<u>609,331</u>	<u>186,227</u>
<b>6. INVESTMENTS</b>		
Units in the FEU Unit Trust – At Fair Value	1,135,312	1,135,312
	<u>1,135,312</u>	<u>1,135,312</u>

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30th JUNE 2006**

	2006	2005
	\$	\$
<b>7. TRADE AND OTHER PAYABLES</b>		
Building Loan - Current	19,882	-
- Non-Current	389,123	-
Hire Purchase Liability - Current	18,685	-
- Non-Current	63,740	-
Sundry Creditors & Accruals	104,695	220,208
FEU At Call Account	Note 1(g) 276,791	229,862
TAFE Sub-Branch Funds Held in Trust:		
Box Hill	4,953	4,593
Brit	457	435
Central Gippsland	1,394	1,375
Chisolm	6,774	6,272
Council of Adult Education	5,630	5,324
East Gippsland	971	903
Eastern	417	417
Gordon	1,262	953
Goulburn Ovens	952	1,047
Holmesglen	1,394	1,236
Kangan Batman	3,827	3,392
Northern Melbourne	2,588	2,393
South West	838	718
Sunraysia	356	405
William Angliss Institute	1,517	1,397
Wodonga	757	774
	<u>907,003</u>	<u>481,704</u>
<b>8. EMPLOYEE PROVISIONS</b>		
Annual Leave	145,143	115,975
Long Service Leave	112,318	109,312
	<u>257,461</u>	<u>225,287</u>

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30th JUNE 2006**

9. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The reporting 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 liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate	
	2006	2005	2006	2005
Financial Assets				
Cash at Bank	0.7%	0.7%	\$12,651	\$43,427
Interest Bearing Deposits	4.2%	4.2%	\$323,597	\$336,073
			<u>\$336,248</u>	<u>\$379,500</u>

No financial assets are subject to a fixed interest rate.

No financial liabilities are subject to any interest rate.

(b) Credit Risk

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

(c) Net Fair Values

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

10. UNION DETAILS

The office of the division is located at:

Level 1, 120 Clarendon Street  
South Melbourne  
Victoria 3205

## **INDEPENDENT AUDIT REPORT**

### **TO THE MEMBERS OF NATIONAL TERTIARY EDUCATION INDUSTRY UNION VICTORIAN DIVISION**

#### **Scope**

##### *The financial report and trustees' responsibility*

The financial report comprises the income statement, balance sheet, detailed income statement, cash flow statement and accompanying notes to the financial statements and the committee of management statement for the National Tertiary Education Industry Union - Victorian Division for the year ended 30<sup>th</sup> June 2006.

The trustees of the division are responsible for the preparation and true and fair presentation of the general purpose financial report in accordance with the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### **Audit Approach**

We conducted an independent audit in order to express an opinion to the members of the division. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Workplace Relations Act 1996 including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the divisions' financial position, and of its performance as represented by the results of its operations and its cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee of management.





**INDEPENDENT AUDIT REPORT** (continued)

**TO THE MEMBERS OF  
NATIONAL TERTIARY EDUCATION INDUSTRY UNION  
VICTORIAN DIVISION**

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

**Independence**

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

**Audit Opinion**

In our opinion, the general purpose financial report of the National Tertiary Education Industry Union – Victorian Division is presented fairly in accordance with:

- (i) applicable Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996, and
- (ii) other mandatory professional reporting requirements.

*Lockwood Wehrens*

LOCKWOOD WEHRENS  
Chartered Accountants  
Camberwell

*A. Wehrens*

ANDREW WEHRENS  
Member of The Institute of Chartered  
Accountants in Australia – 79117, holder of a  
current Certificate of Public Practice  
*17th November 2006*