



Fair Work Australia

18 January 2010

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

cc: Mr Jamie Doughney
President
National Tertiary Education Industry Union Victorian Division
By email: office@vic.nteu.org.au

Dear Ms Savage

Financial report of the National Tertiary Education Industry Union Victorian Division for the financial year ended 30 June 2008 (FR2008/446)

I acknowledge receipt of the financial report of the Victorian Division of the National Tertiary Education Industry Union for the financial year ended 30 June 2008. The documents were lodged with Fair Work Australia on 8 January 2010.

The financial report has been filed.

Fair Work Australia aims to assist reporting units in complying with their obligations under the [Fair Work \(Registered Organisations\) Act 2009](#) and [Reporting Guidelines](#), by providing advice about the errors identified in each the financial reports. I appreciate for the financial year ended 30 June 2009 it is anticipated that, in accordance with the scheme of the organisation's rules, all financial affairs will be administered by the organisation (through its national office) and accounted for accordingly. None the less I draw your attention to a number of matters in the present report which, in the event the Division was required to again prepare a financial report, it should take into account to achieve full compliance.

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

1. Timescale Requirements

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

In particular, [sections 253 and 254](#) of the RO Act require that a General Purpose Financial Report (GPFR) and an Operating Report be prepared as soon as practicable after the end of the financial year. Further, [section 266](#) requires that the financial report be presented to a general meeting of members or a committee of management meeting within six months after the end of the financial year. [Section 268](#) requires the lodgment of the financial report with Fair Work Australia (FWA) within 14 days of the meeting. In the absence of an extension of time for holding a general meeting [see [section 265\(5\)](#)] the latest possible date of lodgment with FWA is six months and 14 days after the end of the financial year. I have attached a document which sets out the timelines in diagrammatical form.

In future years the financial reports need to be prepared in sufficient time to enable presentation to a meeting within six months after the end of the financial year and lodged with Fair Work Australia no later than 14 days after that meeting.

2. Operating Report

Membership of Committee of Management

The operating report contained a list of office holders as at the beginning of the financial year. Please note the operating report is required to contain the name of each person who has been a member of the committee of management of the Division at any time during the reporting period, and the period for which he or she held such a position ([regulation 159\(c\) Fair Work \(Registered Organisations\) Regulations 2009](#)).

3. Committee of Management Statement

The Committee of Management Statement at point (e)(iv) states “where the organisation consists of 2 or more reporting units...”. As the union consists of two or more reporting units, it is preferable that this sentence reflect this circumstance. For example, the sentence could read “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”.

4. Required disclosures: contributions to and from another reporting unit of the organisation

Item 10(b) of the [Reporting Guidelines](#) requires that where contributions based on a proportion of subscriptions are received from other branches, the amount and the name of each branch are to be disclosed in either the profit and loss statement or the notes. Also, item 15 of the Reporting Guidelines requires that where another branch of the union is the source of a cash inflow or the application of cash outflow, such cash flow should be separately disclosed and that the name of the other branch be shown in the notes.

Note 1 in the GPFR states that dues were “collected by the Branches and remitted to the Division...” However the amounts and the names of the Branches are not disclosed as required under item 10(b) of the Reporting Guidelines, nor are any cash flows disclosed (item 15). Also the Income Statement discloses \$3920 as Branch funding, but the amount(s) and name(s) of the Branches are not disclosed in the cash flow statement (item 15).

If contributions are made or received from other Branches of the NTEU, any such contributions and the name(s) of the Branch(es) should be disclosed either in the income statement or the notes. Also the name(s) of the Branch(es) and the amount of any cash flows between Branches and the Division are to be disclosed in the notes.

5. Employee Benefits

The [Reporting Guidelines](#) require reporting units to disclose in the income statement or in the notes employee benefits to holders of office (item 11(g)) and employee benefits to other employees (item 11(h)). The income statement does not distinguish between employee benefits for office holders and other employees. Employee benefits for office holders and other employees should be separately disclosed.

The Reporting Guidelines also require either the balance sheet or the notes disclose any liability for employee benefits in respect of office holders and other employees (items 14(c) and 14 (d)). Note 11 discloses these liabilities but does not distinguish between provisions for office holders and other employees. Provisions for office holders and other employees should be separately disclosed.

6. Key management personnel

The Australian Accounting Standards require the disclosure total compensation for key management personnel (AASB 124 at paragraph 16). AASB 124 defines key management

personnel as “those persons having authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly, including any director (whether executive or otherwise) of that entity”. Unless an exemption is granted (as has occurred for the financial year ended 30 June 2009), the Victorian Division is required to prepare a GPFR in accordance with the Australian Accounting Standards ([section 253](#)), and therefore is required to disclose the total compensation of key management personnel of the Division. Note 14 to the financial statements indicate that there are no key personnel of the “Branch” whose remuneration requires separate disclosure. However the Division would appear to employ officers included in the definition of key management personnel. Please ensure that total compensation for key management personnel are disclosed in any future financial reports that the Division is required to lodge.

7. References to Schedule 1B

Note 12 in the GPFR contain references to Schedule 1B of the *Workplace Relations Act 1996*. This reference should have been to Schedule 1 of the *Workplace Relations Act 1996*. Please note that the relevant legislation for documents which refer to actions occurring on or after 1 July 2009 is the *Fair Work (Registered Organisations) Act 2009*.

If you wish to discuss any matters further, I can be contacted on 03 8661 7929 or via email eve.anderson@fwa.gov.au.

Yours sincerely

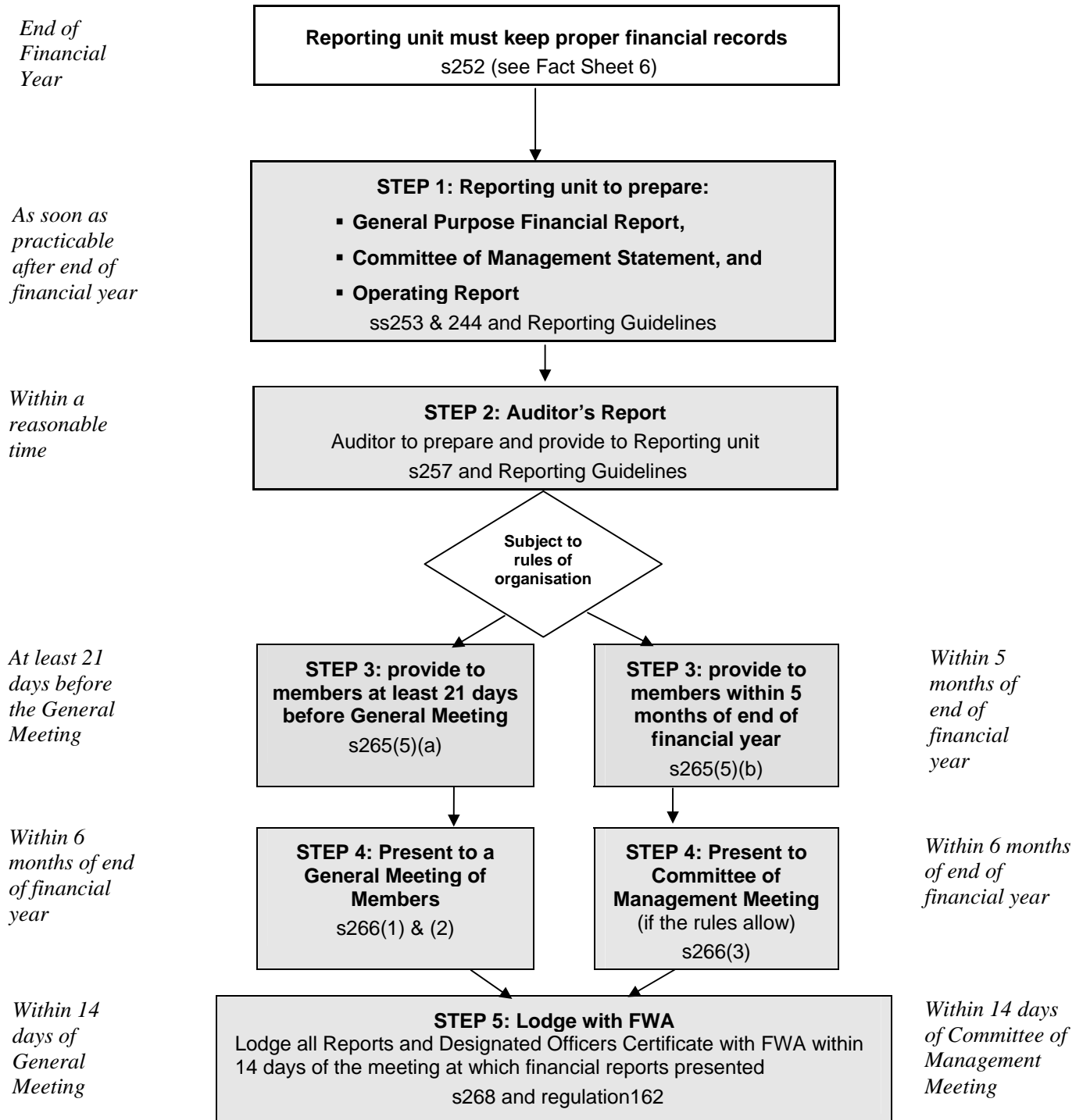
A handwritten signature in blue ink, appearing to read 'Eve Anderson', followed by a horizontal line.

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

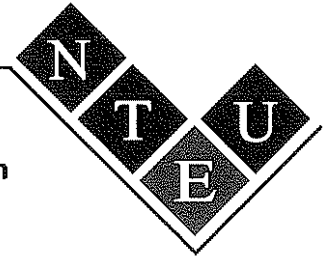
Fair Work (Registered Organisations) Act 2009 Legislation Fact Sheet

Diagrammatic Summary of Financial Reporting Time-lines

Financial reports are to be lodged with FWA within 6½ months of end of financial year by completing the steps as outlined below. See Fact Sheet 8 for an explanation of each of these steps.



National
Tertiary
Education
Union

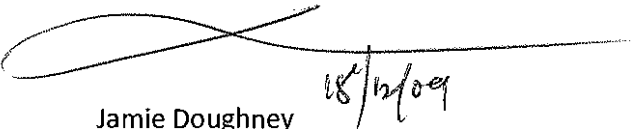


VICTORIAN DIVISION

Certificate of Secretary or other Authorised Officer
S268 of Fair Work (Registered Organisations) Act 2009

I, Jamie Doughney, being President of the Victorian Division of the National Tertiary Education Union certify:

- That the documents lodged herewith are copies of the full report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009 ; and
- That the full report, was provided to members on Wednesday, 4 November 2009; and
- That the full report was presented to a meeting of the Committee of Management of the reporting unit on 14 December 2009 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.


Jamie Doughney

Division President

18 December 2009

**NATIONAL TERTIARY
EDUCATION INDUSTRY UNION**

VICTORIAN DIVISION

Financial Statements for the year ended

30 June 2008

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION
VICTORIAN DIVISION**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

CONTENTS

Operating report	1
Committee of management statement	4
Income statement	5
Balance sheet	6
Statement of recognised income and expense	7
Cash flow statement	8
Notes to and forming part of the financial statements	9
Auditors' report	20

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION
VICTORIAN DIVISION**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

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 Union's Financial Affairs

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

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

No officer of the Division was a Trustee or Director of a Trustee Company of a Superannuation Entity or an Exempt Public Sector Superannuation Scheme.

Number of members

The number of persons who, at the end of the financial year, were recorded on the Register of Members was 8,815 (2007 – 8,962).

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION
VICTORIAN DIVISION**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2008 (Continued)**

Number of employees

The number of persons who were, at the end of the financial year, employees of the Division was 19.0 employees measured on a full time equivalent basis.

Members of the committee of management

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

Phil Andrews	Division Executive Member
Joshua Beggs	Division Executive Member
Ted Clark	Division Executive Member
Steven Curry	Division Executive Member
Glenis Davey	Division Executive Member (Assistant Secretary)
Bill Deller	Division Executive Member
Jamie Doughney	Division President
Peter Harkness	Division Executive Member
Christine Holmes	Division Vice-President (General Staff)
Brian Hughes	Division Executive Member (General Staff)
Colin Long	Division Executive Member
Matthew McGowan	Division Secretary
Virginia Mansel Lees	Division Executive Member
Kate Patrick	Division Executive Member
Jeanette Pierce	Division Executive Member
Jeannie Rea	Division Executive Member
Neil Robinson	Division Executive Member
Jeremy Smith	Division Executive Member (Academic Staff)
Kym Walker	Division Executive Member (Indigenous Representative)
Carol Williams	Division Vice-President (Academic Staff)

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
VICTORIAN DIVISION

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2008 (Continued)

Manner of resignation – s254(2)(c)

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

Name: Jamie Doughney

Title: Division President

Signature: 

Date: 22/10/09

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
VICTORIAN DIVISION

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

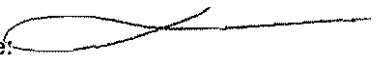
On 22/10/2009 the Committee of Management of the National Tertiary Education Industry Union – Victorian Division passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2008:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the Division 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 Division concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - v. the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - vi. there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- (f) during the financial year ended 30 June 2008, the Division did not participate in any recovery of wages activity.

For Committee of Management: Jamie Doughney

Title: Division President

Signature: 

Date: 22/10/09

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION
VICTORIAN DIVISION**

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$	2007 \$
Revenue from ordinary activities:			
Subscriptions	2	1,697,779	1,698,681
Movement in fair value of FEU investment		223,519	(179,090)
Other	2	<u>200,688</u>	<u>2,223,892</u>
Total revenue from ordinary activities		<u>2,121,986</u>	<u>3,742,483</u>
Expenses from ordinary activities:			
Accountancy & audit fees		10,973	21,765
Affiliation fees		41,877	40,462
Amenities		2,144	-
Bank charges		454	422
Building Maintenance & Outgoings		1,063	90
Branch Funding		3,920	-
Conference expenses		8,099	1,959
Catering Expenses		2,865	-
Computer Expenses		3,919	5,223
Donations		950	1,884
Depreciation		67,013	53,056
Entertainment & meeting expenses		-	2,749
FEU		14,487	151,369
Fringe Benefits Tax		4,777	12,870
Sundry		4,275	3,090
General Expenses		4,849	-
Insurance		5,605	9,074
Interest		41,013	53,922
Legal Fees		3,587	4,647
Motor Vehicle Expenses		51,582	41,297
Motor Vehicle Allowances		1,485	-
Medical		2,118	-
Payroll tax		62,129	68,125
Payroll Deduction Service Fee		2,557	-
Printing & Stationary		21,113	-
Publications		18,414	36,452
Salaries		1,293,868	1,266,605
Staff related expenses		-	23,356
Superannuation contributions		194,952	174,068
Telephone & internet		28,140	23,152
Travel		19,959	-
Training		10,981	8,491
Work cover		16,376	(29,211)
Other expenses		19,473	22,373
Transfer of assets to NTEU Fund	1(p)	<u>3,069,441</u>	<u>-</u>
Total expenses from ordinary activities		<u>5,034,458</u>	<u>1,994,203</u>
Net operating (deficit) / surplus		<u>(2,912,472)</u>	<u>1,718,953</u>

The accompanying notes form part of these financial statements

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION
VICTORIAN DIVISION**

BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$	2007 \$
CURRENT ASSETS			
Cash assets	3	-	343,928
Receivables	4	-	169,453
Other assets	5	-	<u>11,672</u>
TOTAL CURRENT ASSETS		-	<u>525,053</u>
NON CURRENT ASSETS			
Property, plant & equipment	6	-	318,934
Investments	7	-	<u>3,412,626</u>
TOTAL NON CURRENT ASSETS		-	<u>3,731,560</u>
TOTAL ASSETS		-	<u>4,256,613</u>
CURRENT LIABILITIES			
Payables	9	-	604,661
Provisions	11	-	<u>324,299</u>
TOTAL CURRENT LIABILITIES		-	<u>928,960</u>
NON CURRENT LIABILITIES			
Payables	9	-	<u>415,181</u>
NON CURRENT LIABILITIES		-	<u>415,181</u>
TOTAL LIABILITIES		-	<u>1,344,141</u>
NET ASSETS		-	<u>2,912,472</u>
EQUITY			
Accumulated surplus	12	-	<u>2,912,472</u>
TOTAL EQUITY		-	<u>2,912,472</u>

The accompanying notes form part of these financial statements.

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION
VICTORIAN DIVISION**

STATEMENT OF RECOGNISED INCOME AND EXPENSE

FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$	2007 \$
RETAINED EARNINGS			
Balance at start of the period		2,912,472	1,193,519
(Deficit)/surplus for the period		<u>(2,912,472)</u>	<u>1,718,953</u>
Balance at end of period	12	<u>-</u>	<u>2,912,472</u>

The accompanying notes form part of these financial statements.

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION
VICTORIAN DIVISION**

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$	2007 \$
Cash flows from operating activities			
Receipts			
Receipts from members		2,054,050	1,698,681
Rent Received		-	17,357
Interest received		13,870	96,398
Other Income		-	71,186
Payments			
Payment to suppliers and employees		(2,635,367)	1,953,661
Net cash flows from operating activities	13	<u>(567,447)</u>	<u>(70,039)</u>
Cash flows from investing activities			
Change in market value of investments		223,519	-
Payments for property, plant and equipment		-	(47,708)
Proceeds from sale of plant and equipment		-	6,454
Net Cash flows used in investing activities		<u>223,519</u>	<u>(41,254)</u>
Cash flows from financing activities			
Proceeds from borrowing		-	153,478
Repayment of borrowings		-	(16,012)
Proceeds from hire purchasing funding		-	-
Repayment of hire purchase funding		-	(19,243)
Net cash flows from financing activities		<u>-</u>	<u>118,223</u>
Net (decrease)/increase in cash held		(343,928)	6,930
Cash at the beginning of the financial year		<u>343,928</u>	<u>336,998</u>
Cash at the end of the financial year	3	<u>-</u>	<u>343,928</u>

The accompanying notes form part of these financial statements.

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION
VICTORIAN DIVISION**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Workplace Relations Act 1996.

Basis of Preparation

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

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

(a) Revenue Recognition

(i) Membership Capitation Fee

The membership capitation fee revenue represents 0.32% (2007: 0.32%) of members' salary. The dues are collected by the Branches and remitted to the Division by the middle of the month after they fall due and at this point recognised in the Division's accounts.

(ii) Other Revenue

Other revenue comprises revenue earned from the provision of products or services and interest on monies deposited. These revenues are recognised when the goods or services are provided, or when the fee in respect of services provided is receivable.

(b) Property, Plant & Equipment

Property, plant and equipment are recorded at cost. Depreciation of property, plant, and equipment is calculated on the straight-line basis in order to write the assets off over their estimated useful lives.

(c) Investments

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

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION
VICTORIAN DIVISION**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Impairment of Assets

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

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

(e) Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and long service leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

Liabilities for employee entitlements, which are not expected to be settled within 12 months, are measured at the present value of the estimated future cash outflows to be made for those benefits.

In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates, and the economic entity's experience with staff departures. Related on-costs have also been included in the liability.

(f) Income Tax

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

(g) Cash Flows

For the purpose of the cash flow statement, cash includes cash on hand and held at call with banks, net of bank overdrafts.

(h) Goods and Services Tax

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

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

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION
VICTORIAN DIVISION**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Distribution of Revenue from FEU Trust

Distribution revenue mainly relates to the upward change in fair value on investment property held by FEU Unit Trust. The investment property was independently revalued on 30 June 2007.

(j) Financial Instruments

Financial Assets

Receivables (Note 4)

Receivables are carried at the nominal amounts due less any allowance for doubtful debts when applicable. Receivables are unsecured and credit terms are usually up to 30 days.

Financial Liabilities

Payables (Note 9)

Liabilities are recognised for amounts to be paid in the future for goods or services received as at balance date, whether or not invoices have been received. Payables are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

(k) Allocation of Current and Non-Current

An Asset or a Liability shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the reporting date; or
- (d) the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities shall be classified as non current.

(l) Economic Dependency

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

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments and bank overdrafts. Bank overdrafts are shown as part of cash and cash equivalents and reduce the amount shown as cash at bank.

(n) Borrowing Costs

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

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

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION
VICTORIAN DIVISION**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Transfer of net assets to NTEU Fund

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

(p) New accounting standards and interpretations

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

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

In addition to those Accounting Standards listed above, the AASB has also released a number of other Accounting Standards and Australian Interpretations. The application of these Accounting Standards and Australian Interpretations are not applicable to the entity. Consequently, they have not been specifically identified above.

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION
VICTORIAN DIVISION**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
2. REVENUE FROM ORDINARY ACTIVITIES		
Subscriptions		
Net members subscriptions	1,697,779	1,698,681
Total revenue from subscriptions	<u>1,697,779</u>	<u>1,698,681</u>
Other revenue		
Rent received	-	96,398
Interest received	13,870	17,357
Gain on disposal of fixed asset	-	547
Distribution revenue from FEU Unit Trust	-	2,038,404
Other	106,334	71,186
Funding Amounts	80,484	-
Total other revenue	<u>200,688</u>	<u>2,223,992</u>
Total revenue from operating activities	<u>1,898,467</u>	<u>3,922,573</u>
3. CASH ASSETS		
Cash on Hand	-	750
Cash at Bank	-	343,178
	<u>-</u>	<u>343,928</u>
4. RECEIVABLES		
Trade Debtors	-	3,685
Capitation Fees Accrued	-	165,768
	<u>-</u>	<u>169,453</u>
5. OTHER ASSETS		
Prepayments	-	8,502
GST Recoverable	-	3,170
	<u>-</u>	<u>11,672</u>

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION
VICTORIAN DIVISION**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007				
	\$	\$				
6. PROPERTY, PLANT & EQUIPMENT						
Office Furniture & Equipment – at Cost	-	103,825				
Less: accumulated depreciation	-	(65,345)				
	-	<u>38,480</u>				
Leasehold Improvements – at Cost	-	103,825				
Less: accumulated Depreciation	-	(29,310)				
	-	<u>190,850</u>				
Motor Vehicles – at Cost	-	190,732				
Less: accumulated depreciation	-	(101,128)				
	-	<u>89,604</u>				
Total plant and equipment	-	<u>318,934</u>				
7. INVESTMENTS						
Federation of Education Unions (FEU) Unit Trust	-	1,374,222				
FEU Distributions attributable to the Division	-	2,038,404				
	-	<u>3,412,626</u>				
8. FEU UNIT TRUST						
	Principal Activity	Country of Incorporation	Share	Ownership Interest*	Carrying Amount of Investment	
				2008	2007	
				%	%	
				2008	2007	
				\$	\$	
FEU Unit Trust	Investment	Australia	Ord	-	20.9	
				-	1,374,222	
*Percentage of voting power in proportion to ownership						
9. TRADE AND OTHER PAYABLES						
Building Loan - Current	-	20,511				
- Non-Current	-	372,482				
Hire Purchase Liability - Current	-	20,483				
- Non-Current	-	42,699				
Sundry Creditors & Accruals	-	32,253				
FEU At Call Account	-	375,428				
National Office At Call Account	-	118,535				
Tafe Sub-Branch Funds Held in Trust	-	37,451				
	-	<u>1,019,842</u>				
10. AUDITOR'S REMUNERATION						
Remuneration of the auditor of the Division for:						
- Auditing or reviewing the financial report	2,000	7,231				

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION
VICTORIAN DIVISION**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
11. PROVISIONS		
Current		
Employee benefits: annual leave	-	128,007
Employee benefits: long service leave	-	196,292
	<u>-</u>	<u>324,299</u>
12. ACCUMULATED SURPLUS		
Accumulated surplus at the beginning of the financial year	2,912,472	1,193,519
Net operating surplus/(deficit) for the year	<u>(2,912,472)</u>	<u>1,718,953</u>
Accumulated surplus at the end of the financial year	<u>-</u>	<u>2,912,472</u>
13. CASH FLOW INFORMATION		
Reconciliation of net operating (deficit)/surplus to net cash flows from operating activities:		
Net operating (deficit)/surplus	(2,912,472)	1,718,953
Non-cash flows in operating activities:		
Depreciation	-	53,056
Movement of investment in FEU Unit Trust	<u>(223,519)</u>	<u>179,090</u>
Changes in assets and liabilities:		
(Increase) / decrease in receivables	169,453	41,473
(Increase) / decrease in other assets	330,606	35,026
(Increase) / decrease in investments	3,412,626	(2,277,314)
Increase / (decrease) in payables	(1,019,842)	112,839
Increase / (decrease) in employee provisions	<u>(324,299)</u>	<u>66,838</u>
Net cash flows from operating activities	<u>(567,447)</u>	<u>(70,039)</u>

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION
VICTORIAN DIVISION**

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

14. FINANCIAL INSTRUMENTS

(a) Significant accounting policies

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

(b) Categorisation of financial instruments

Financial assets	Note	Category	Carrying amount 2008	Carrying amount 2007
Cash and cash equivalents	3	N/A	-	343,928
Receivables	4	Receivables (at amortised cost)	-	169,453
Financial liabilities				
Payables	9	Financial liabilities measured at amortised cost	-	1,019,842

(c) Credit risk

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

Financial assets that are either past due or impaired

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

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

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

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION
VICTORIAN DIVISION**

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

14. FINANCIAL INSTRUMENTS (continued)

Interest rate exposure and ageing analysis of financial assets									
	Weighted average effective interest rate	Carrying amount	Interest rate exposure			Past due by			
			Fixed interest rate	Variable interest rate	Non- interest bearing	Less than 1 Month	1-3 months	3 months - 1 year	1-5 years
2008	%								
Cash assets	5.05	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
2007									
Cash assets	5.05	343,928	-	343,928	-	-	-	-	-
Receivables	-	169,453	-	-	169,453	-	-	-	-
		513,381	-	343,928	169,453	-	-	-	-

(d) Liquidity risk

Liquidity risk arises when the Division is unable to meet its financial obligations as they fall due. The Division operates under the policy of settling financial obligations within 30 days and in the event of a dispute, make payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets. The Division's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

Interest rate exposure and maturity analysis of financial liabilities									
	Weighted average effective interest rate	Nominal amount	Interest rate exposure			Maturity dates			
			Fixed interest rate	Variable interest rate	Non-interest bearing	Less than 1 month	1-3 months	3 months - 1 year	1-5 years
2008	%								
Payables	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
2007									
Payables	-	1,019,842	-	-	1,019,842	-	-	-	-
		1,019,842	-	-	1,019,842	-	-	-	-

NATIONAL TERTIARY EDUCATION INDUSTRY UNION
VICTORIAN DIVISION

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

10. FINANCIAL INSTRUMENTS (continued)

(e) Market risk

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

Interest rate risk

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

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

(f) Fair value

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

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

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

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION
VICTORIAN DIVISION**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

14. RELATED PARTY INFORMATION

Remuneration of key management personnel

There are no key management personnel of the Branch whose remuneration requires separate disclosure.

Other related party transactions

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

15. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provision of subsections (1), (2) and (3) of section 272 of Schedule 1B – Registration of accountability of Organisations which 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 matter in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1)."

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

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

Scope

The general purpose financial report and Executive Committee's responsibility

The general purpose financial report comprises the income statement, balance sheet, cash flow statement, statement of recognised income and expense, accompanying notes to the financial statements, and the committee of management statement of the National Tertiary Education Industry Union – Victorian Division for the year ended 30 June 2008.

The Committee of the Union is responsible for the preparation and fair presentation of the financial report in accordance with the Workplace Relation Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect frauds and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

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

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

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

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

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

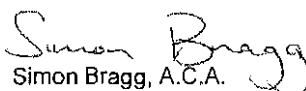
Independence

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

Audit Opinion

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


DFK Collins
Chartered Accountants


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

23 October 2009
Melbourne
Date: