



12 April 2014

Mr Grahame McCulloch  
National Secretary  
National Tertiary Education Industry Union

Email: nteunat@nteu.org.au

Dear Mr McCulloch,

**National Tertiary Education Industry Union  
Financial Report for the year ended 30 June 2013 - [FR2013/334]**

I acknowledge receipt of the financial report of the National Tertiary Education Industry Union. The documents were lodged with the Fair Work Commission on 18 December 2013.

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

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 2014 may be subject to an advanced compliance review.

If you have any queries regarding this letter, please contact me on (03) 8661 7639 or via email at [margaret.williams@fwc.gov.au](mailto:margaret.williams@fwc.gov.au).

Yours sincerely

Margaret Williams  
Regulatory Compliance Branch

**National  
Tertiary  
Education  
Industry  
Union**



**NATIONAL OFFICE**

ABN 38 579 396 344

First floor, 120 Clarendon St, Southbank VIC 3006

PO Box 1323, South Melbourne VIC 3205

Tel: (03) 9254 1910 Fax: (03) 9254 1915

Email: nteunat@nteu.org.au

Web: www.nteu.org.au

s.268 *Fair Work (Registered Organisations) Act 2009*

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the period ended 30 June 2013

I *Grahame McCulloch* being the *General Secretary* of the *National Tertiary Education Union* certify:

- that the documents lodged herewith are copies of the full report for the *National Tertiary Education Union* for the period ended 30 June 2013 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *full report* was provided to members of the reporting unit on *15 November 2013*; and
- that the full report was presented to a *meeting of the committee of management* of the reporting unit on *17 December 2013* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

Name of prescribed designated officer: Grahame McCulloch

Title of prescribed designated officer: General Secretary

Dated: 17 December 2013

A thick black L-shaped line is positioned on the left side of the page, starting from the top and extending downwards. A thin black horizontal line extends from the top of this L-shape across the width of the page.

# ***NTEU***

***Financial Report for the year ended  
30 June 2013***

**NTEU**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**CONTENTS**

Operating report	1
Committee of management statement	5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Auditors' report	33

**NTEU**  
**OPERATING REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**Principal activities**

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

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

**Results of principal activities**

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

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

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

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

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

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

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

**Number of members**

The number of persons who, at the end of the financial year, were recorded on the Register of Members was 27,340 (2012: 25,948).

**Number of employees**

The number of persons who were, at the end of the financial year, employees of the Union was 118.1 (2012:112) measured on a full time equivalent basis.

**NTEU**  
**OPERATING REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**Members of the committee of management**

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

<b>Position</b>	<b>Name</b>	<b>Period (If not full year)</b>
President	Jeannie Rea	
Vice President (Academic)	Gregory McCarthy	01/07/2013 - 01/10/2013
Vice President (Academic)	Kelvin Michael	02/10/2013 - 30/06/2013
Vice President (General)	Gabrielle Gooding	01/07/2012 - 06/10/2012
Vice President (General)	Lynda Davies	07/10/2012 - 30/06/2013
General Secretary	Grahame McCulloch	
NTEU Assistant Secretary	Matthew McGowan	
Indigenous Member	Jillian Miller	01/07/2012 - 06/10/2012
Indigenous Member	Terry Mason	07/10/2012 - 30/06/2013
NTEU Executive Member	Gabrielle Gooding	07/10/2012 - 30/06/2013
NTEU Executive Member	Colin Long	
NTEU Executive Member	Stephen Darwin	
NTEU Executive Member	Margaret Lee	
NTEU Executive Member	Kelvin Michael	01/07/2013 - 01/10/2013
NTEU Executive Member	Kevin Rouse	
NTEU Executive Member	Lynette Bloom	01/07/2012 - 06/10/2012
NTEU Executive Member	Genevieve Kelly	
NTEU Executive Member	Andrew Bonnell	
NTEU Executive Member	Derek Corrigan	01/07/2012 - 06/10/2012
NTEU Executive Member	John Fitzsimmons	01/07/2012 - 06/10/2012
NTEU Executive Member	Virginia Mansel Lees	
NTEU Executive Member	Terry Mason	01/07/2012 - 06/10/2012
NTEU Executive Member	Helen Masterman-Smith	01/07/2012 - 06/10/2012
NTEU Executive Member	Susan Price	01/07/2012 - 06/10/2012
NTEU Executive Member	Michael Thomson	
NTEU Executive Member	Janet Sinclair-Jones	
NTEU Executive Member	John Kenny	07/10/2012 - 30/06/2013
NTEU Executive Member	Lolita Wikander	07/10/2012 - 30/06/2013
NTEU Executive Member	Linda Cecere	07/10/2012 - 30/06/2013
NTEU Executive Member	Ryan Hsu	07/10/2012 - 30/06/2013
NTEU Executive Member	Melissa Slee	07/10/2012 - 30/06/2013
NTEU Executive Member	John Sinclair	07/10/2012 - 30/06/2013

**NTEU**  
**OPERATING REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**Officers & employees who are directors of a company or a member of a board**

The following employees or Officers of the Union are either directors of a company or members of a board that is unrelated to their involvement with the NTEU:

<b>Name</b>	<b>Company or Entity</b>	<b>Principle Activity</b>
Josh Cullinan	YCW (Holdings) Melbourne	To promote the interest of relevant youth and to give guidance to the YCW Movement, particularly in relation to its administration.
Sharon Muddle	PSM Building Services Pty Ltd	Residential building construction and renovations.
Kevin Poynter	Gearstick Theatre	Live Theatre Production.
Kevin Poynter	Wagga Wagga City Council	Carry out duties under the provisions of the Local Government Act and Regulations.
Rhidian Thomas	Owners Corporation No 1 PS641346L	Administer the common property and the assets for the benefit of the owners.
Rhidian Thomas	Reds Cricket Club	Support and encourage the sport of cricket as well as to provide clubhouse facilities for the recreation and enjoyment of the members.

The following employees or Officers of the Union are either directors of a company or members of a board that is related to their involvement with the NTEU:

<b>Name</b>	<b>Company or Entity</b>	<b>Principle Activity</b>
Grahame McCulloch	UniSuper Limited	Provide its members with financial resources and other benefits during their retirement.
Grahame McCulloch	Education International (based in Belgium)	Peak international union body for education unions.
Grahame McCulloch	Federation of Education Unions	Administer the common property and the assets for the benefit of the owners.

**NTEU**  
**OPERATING REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2013**

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

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

- (1) A member may resign from membership by written notice addressed and delivered to the General Secretary or to the member's Division Secretary or Branch Secretary. Where a written notice of resignation is received by one of the aforementioned Secretaries he or she shall as soon as practicable forward a copy of the notice of resignation to the other relevant Secretaries. A notice of resignation delivered to a relevant Secretary shall be taken to have been received by the Union when it was delivered.
- (2) A notice of resignation from membership takes effect:
  - (a) Where the member ceases to be eligible to become a member of the Union
    - (i) on the day on which the notice is received by the Union; or
    - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;
 whichever is later; or
  - (b) In any other case:
    - (i) at the end of two weeks, or if permitted by law three months after the notice is received by the Union; or
    - (ii) on the day specified in the notice;
 whichever is later.
- (3) Any dues payable but not paid by a former member in relation to a period before the member's resignation took effect, may be sued for and recovered in the name of the Union in a court of competent jurisdiction, as a debt due to the Union.
- (4) A notice delivered to the Division Secretary or Branch Secretary shall be taken to have been received by the Union when it was delivered.
- (5) A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with sub-rule 1 of this rule.
- (6) A resignation from membership is valid even if it is not affected in accordance with this rule if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.
- (7) Cessation of payment of any dues, levies and other amounts by a member does not, of itself, terminate membership of the Union.

Grahame McCulloch  
 Title: General Secretary

Signature:

Date: 15 November 2013

Matthew McGowan  
 Title: National Assistant Secretary

Signature:

Date: 15 November 2013



**NTEU**  
**COMMITTEE OF MANAGEMENT STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

On 15/11/2013 the Committee of Management of the NTEU passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2013:

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 General Manager, Fair Work Australia;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
  - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - iii. the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; 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 General Manager, Fair Work Australia duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager, Fair Work Australia; and
  - vi. there has been compliance with any order for inspection of financial records made by the Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009.
- (f) in relation to recovery of wages activity:

There were no recoveries of wages activities for the financial year ended 30 June 2013.

For Committee of Management:

Grahame McCulloch  
 Title: General Secretary

Matthew McGowan  
 Title: National Assistant Secretary

Signature:

Date: 15 November 2013

Signature:

Date: 15 November 2013

**NTEU**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Note	ECONOMIC ENTITY		CHIEF ENTITY	
		2013 \$	2012 \$	2013 \$	2012 \$
<b>INCOME FROM TRANSACTIONS</b>					
Operating revenue	3	19,046,083	17,523,245	19,046,083	17,523,245
Non-operating revenue	3	1,633,160	1,171,474	1,157,239	909,597
<b>TOTAL REVENUE</b>		<u>20,679,243</u>	<u>18,694,719</u>	<u>20,203,322</u>	<u>18,432,842</u>
<b>EXPENSES FROM TRANSACTIONS</b>					
Employee benefits	5	12,555,951	11,264,513	12,555,951	11,264,513
Officeholder benefits	18(a)	1,583,025	1,413,604	1,583,025	1,413,604
Depreciation and amortisation		751,489	752,759	355,691	348,541
Interest		-	7,583	-	9,064
Other expenses	4	5,862,882	4,662,130	5,405,260	4,425,489
<b>TOTAL EXPENSES FROM TRANSACTIONS</b>		<u>20,753,347</u>	<u>18,100,589</u>	<u>19,899,927</u>	<u>17,461,211</u>
<b>NET RESULT FROM TRANSACTIONS</b>		<u>(74,104)</u>	<u>594,130</u>	<u>303,395</u>	<u>971,631</u>
<b>NET OPERATING RESULT</b>		<u>(74,104)</u>	<u>594,130</u>	<u>303,395</u>	<u>971,631</u>
<b>OTHER ECONOMIC FLOWS</b>					
Changes in asset revaluation reserve	15	-	-	-	-
<b>COMPREHENSIVE RESULT</b>		<u>(74,104)</u>	<u>594,130</u>	<u>303,395</u>	<u>971,631</u>
<b>NET OPERATING RESULT FOR THE PERIOD IS ATTRIBUTABLE TO:</b>					
Non-controlling interest		(30,457)	244,187	-	-
Owners of the parent		(43,647)	349,943	-	-
		<u>(74,104)</u>	<u>594,130</u>	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE RESULT FOR THE PERIOD IS ATTRIBUTABLE TO:</b>					
Non-controlling interest		(30,457)	244,187	-	-
Owners of the parent		(43,647)	349,943	-	-
		<u>(74,104)</u>	<u>594,130</u>	<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

**NTEU**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2013**

		<b>ECONOMIC ENTITY</b>		<b>CHIEF ENTITY</b>	
	<b>Note</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>					
Cash and cash equivalents	6	3,603,362	2,901,567	3,478,587	2,848,681
Trade and other receivables	7	967,193	1,478,957	283,777	656,649
Other financial assets	8	3,075,998	2,605,135	3,075,998	2,605,135
Other assets	9	226,604	158,797	198,289	132,729
<b>TOTAL CURRENT ASSETS</b>		<u>7,873,157</u>	<u>7,144,456</u>	<u>7,036,651</u>	<u>6,243,194</u>
<b>NON-CURRENT ASSETS</b>					
Other financial assets	8	-	-	9,830,040	9,830,040
Investment properties	10	2,551,918	2,551,918	2,551,918	2,551,918
Property, plant and equipment	11	17,999,656	18,592,292	3,923,216	4,123,478
Intangible assets	12	598	21,259	598	21,259
<b>TOTAL NON-CURRENT ASSETS</b>		<u>20,552,172</u>	<u>21,165,469</u>	<u>16,305,772</u>	<u>16,526,695</u>
<b>TOTAL ASSETS</b>		<u>28,425,329</u>	<u>28,309,925</u>	<u>23,342,423</u>	<u>22,769,889</u>
<b>LIABILITIES</b>					
Trade and other payables	13	5,012,809	5,207,985	1,648,198	1,763,743
Provisions	14	3,019,137	2,602,347	3,019,137	2,602,347
<b>TOTAL CURRENT LIABILITIES</b>		<u>8,031,946</u>	<u>7,810,332</u>	<u>4,667,335</u>	<u>4,366,090</u>
<b>NON-CURRENT LIABILITIES</b>					
Provisions	14	423,293	455,399	423,293	455,399
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>423,293</u>	<u>455,399</u>	<u>423,293</u>	<u>455,399</u>
<b>TOTAL LIABILITIES</b>		<u>8,455,239</u>	<u>8,265,731</u>	<u>5,090,628</u>	<u>4,821,489</u>
<b>NET ASSETS</b>		<u>19,970,090</u>	<u>20,044,194</u>	<u>18,251,795</u>	<u>17,948,400</u>
<b>EQUITY</b>					
Reserves	15	12,201,687	11,316,399	12,201,687	11,316,399
Retained surplus	16	5,383,065	6,187,305	6,050,108	6,632,001
Non-controlling interest		2,385,338	2,540,490	-	-
<b>TOTAL EQUITY</b>		<u>19,970,090</u>	<u>20,044,194</u>	<u>18,251,795</u>	<u>17,948,400</u>

The accompanying notes form part of these financial statements.

**NTEU**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Reserves	Retained Surplus	Non- Controlling Interest	Total Equity
	\$	\$	\$	\$
<b>ECONOMIC ENTITY</b>				
<b>At 1 July 2011</b>	10,664,544	6,089,878	2,695,642	19,450,064
Surplus for the year	-	594,130	-	594,130
Transfer to reserves	651,855	(651,855)	-	-
Movement in non-controlling interest	-	155,152	(155,152)	-
<b>At 30 June 2012</b>	<u>11,316,399</u>	<u>6,187,305</u>	<u>2,540,490</u>	<u>20,044,194</u>
Surplus for the year	-	(74,104)	-	(74,104)
Movement in non-controlling interest	-	155,152	(155,152)	-
Transfer to reserves	885,288	(885,288)	-	-
<b>As at 30 June 2013</b>	<u><u>12,201,687</u></u>	<u><u>5,383,065</u></u>	<u><u>2,385,338</u></u>	<u><u>19,970,090</u></u>
<b>CHIEF ENTITY</b>				
<b>At 1 July 2011</b>	10,664,544	6,312,225	-	16,976,769
Surplus for the year	-	971,631	-	971,631
Transfer to reserves	651,855	(651,855)	-	-
<b>At 30 June 2012</b>	<u>11,316,399</u>	<u>6,632,001</u>	<u>-</u>	<u>17,948,400</u>
Surplus for the year	-	303,395	-	303,395
Transfer to reserves	885,288	(885,288)	-	-
<b>As at 30 June 2013</b>	<u><u>12,201,687</u></u>	<u><u>6,050,108</u></u>	<u><u>-</u></u>	<u><u>18,251,795</u></u>

The accompanying notes form part of these financial statements.

**NTEU**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Note	ECONOMIC ENTITY		CHIEF ENTITY	
		2013 \$	2012 \$	2013 \$	2012 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Revenue from operating activities		23,051,450	20,000,304	21,923,741	19,828,401
Interest and other receipts		114,629	144,518	114,629	144,818
Distribution received		176,779	134,581	176,779	134,581
Payments to suppliers and employees		(20,854,501)	(17,689,432)	(19,814,331)	(17,444,146)
Interest paid		-	(7,583)	-	(9,064)
Net GST paid to Australian Tax Office		(1,460,755)	(1,386,183)	(1,448,529)	(1,369,963)
<b>Net cash provided by operating activities</b>	17	<u>1,027,602</u>	<u>1,196,205</u>	<u>952,289</u>	<u>1,284,627</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
(Payments)/disposals for property, plant & equipment		(139,121)	(52,368)	(135,697)	(44,805)
(Payments)/disposals for other financial assets		(186,686)	(159,379)	(186,686)	(159,379)
<b>Net cash used in investing activities</b>		<u>(325,807)</u>	<u>(211,747)</u>	<u>(322,383)</u>	<u>(204,184)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Repayment of borrowings		-	(1,655,000)	-	(1,655,000)
<b>Net cash used in investing activities</b>		<u>-</u>	<u>(1,655,000)</u>	<u>-</u>	<u>(1,655,000)</u>
<b>Net increase/(decrease) in cash &amp; cash equivalents held</b>		701,795	(670,542)	629,906	(574,557)
<b>Cash and cash equivalents at beginning of year</b>		2,901,567	3,572,109	2,848,681	3,423,238
<b>Cash and cash equivalents at end of year</b>	6	<u><u>3,603,362</u></u>	<u><u>2,901,567</u></u>	<u><u>3,478,587</u></u>	<u><u>2,848,681</u></u>

The accompanying notes form part of these financial statements.

## NTEU

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 30 JUNE 2013

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

##### **(a) 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. Unless otherwise stated all accounting policies are consistent with those of the prior year.

In the application of Accounting Standards, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated. The financial statements are presented in Australian dollars.

##### **(b) Consolidation**

The consolidated financial statements comprise the financial statements of NTEU and its subsidiaries as at 30 June 2013 (the Group). Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. Details of these controlled entities are contained within Note 18(c).

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

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

##### **(c) Revenue recognition**

###### **(i) NTEU Fee**

NTEU fee revenue represents the contributions made by Union members. The NTEU revenue is recognised in the period in which the services are provided to the member.

###### **(ii) Other Revenue**

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

##### **(d) Comparatives**

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

##### **(e) Leased assets**

The Union has not entered into any lease agreements during the period.

**NTEU**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2013**

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

**(f) Allowance for doubtful debts**

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

**(g) Employee benefits**

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

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

In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates, and the entity's experience with staff departures.

**(h) Income tax**

No provision for Income Tax is necessary as "Trade Unions" are exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.

**(i) Cash flows**

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

**(j) 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.

Investments in listed companies and funds are carried at fair value.

**(k) Goods and services tax**

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

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

## NTEU

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2013

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

**(l) Cash and cash equivalents**

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

**(m) Financial instruments****Financial assets**

Financial assets are classified into the following specified categories: fair value through profit or loss and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon 'trade date' basis.

*Loan and receivables*

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

*Fair value through profit or loss*

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

**Financial liabilities**

Financial liabilities are classified as other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

*Other financial liabilities*

Other financial liabilities, including trade and other payables, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

**Impairment of financial assets**

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

**(n) 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.



## NTEU

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2013

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

**(o) Information to be provided to members or General Manager, Fair Work Australia**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, 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 General Manager, Fair Work Australia, 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.

**(p) Property, Plant and Equipment***(i) Recognition and measurement*

## Plant and Equipment

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

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

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

*(ii) Subsequent costs*

The Union recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that future economic benefits embodied within the item will flow to the Union and that the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense when incurred.

*(iii) Depreciation*

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

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

Class of Asset	Depreciation basis	2013	2012
Buildings	Straight Line	2.5%	2.5%
Office Equipment	Straight Line	10-33.33%	10-33.33%
Motor Vehicles	Straight Line	22.5%	22.5%
Building Improvements	Straight Line	10-30%	10-30%
Intangibles	Straight Line	33%	33%

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

**NTEU**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2013**

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

**(q) Investment Property**

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

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

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

**(r) Additional disclosure requirements under FairWork Commission reporting guidelines**

**(i) Going concern**

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

**(ii) Financial support to another reporting unit**

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

**(iii) Acquisition of assets or liabilities**

NTEU did not acquire an asset or a liability during the financial year as a result of:

- an amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- a restructure of the branches of the organisation; or
- a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).

**(iv) Business combinations**

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

**(v) Statement of Financial Position**

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

**(vi) Statement of Changes in Equity**

No compulsory levies are raised from members of the Union.

**(vii) Recovery of wages**

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

## NTEU

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(s) AASB Accounting Standards and Interpretations**

Certain new Australian accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting period. As at 30 June 2013, the following standards and interpretations had been issued but were not mandatory for the reporting ended 30 June 2013. The Union has not and does not intend to adopt these standards early.

Standard/Interpretation	Summary	Application for reporting periods beginning on:	Impact on Entities Annual Statements
AASB 9 Financial Instruments, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures	AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed.	Beginning 1 Jan 2013	Detail of impact still being assessed.
2012-1 Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141]	This amending Standard prescribes the reduced disclosure requirements in a number of Australian Accounting Standards as a consequence of the issuance of AASB 13 Fair Value Measurement.	Beginning 1 July 2013	Detail of impact is still being assessed.
AASB 2011-4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	This Standard amends AASB 124 Related Party Disclosures by removing the disclosure requirements in AASB 124 in relation to individual key management personnel (KMP).	Beginning 1 July 2013	Detail of impact is still being assessed.

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

## NTEU

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2013

	ECONOMIC ENTITY		CHIEF ENTITY	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>NOTE 2: AUDITOR'S REMUNERATION</b>				
<i>Audit services</i>				
Auditors to the Union	94,951	100,000	94,951	100,000
<i>Other services</i>				
Auditors to the Union	1,970	1,890	1,970	1,890
	<u>96,921</u>	<u>101,890</u>	<u>96,921</u>	<u>101,890</u>
 <i>Audit Services</i>				
Auditors of subsidiary	7,710	4,000	-	-
<i>Other services</i>				
Auditors of subsidiary	-	1,100	-	-
	<u>7,710</u>	<u>5,100</u>	<u>-</u>	<u>-</u>
 <b>NOTE 3: REVENUE FROM ORDINARY ACTIVITIES</b>				
<b>Operating revenue:</b>				
Membership fees	<u>19,046,083</u>	<u>17,523,245</u>	<u>19,046,083</u>	<u>17,523,245</u>
<b>Total operating revenue</b>	<u>19,046,083</u>	<u>17,523,245</u>	<u>19,046,083</u>	<u>17,523,245</u>
<b>Non operating revenue:</b>				
Rent received	701,166	767,381	528,907	596,519
Distribution received	176,779	134,581	176,779	134,581
Interest received	114,629	144,818	114,629	144,818
Sundry income	304,526	124,694	864	33,679
Voluntary member contributions for industrial action	38,494	-	38,494	-
Change in market value of investments	284,177	-	284,177	-
Gain on sales of investments	13,389	-	13,389	-
Entrance fees or periodic subscriptions	-	-	-	-
Capitation fees	-	-	-	-
Donations or grants	-	-	-	-
<b>Total non operating revenue</b>	<u>1,633,160</u>	<u>1,171,474</u>	<u>1,157,239</u>	<u>909,597</u>
<b>Total revenue from ordinary activities</b>	<u>20,679,243</u>	<u>18,694,719</u>	<u>20,203,322</u>	<u>18,432,842</u>

## NTEU

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2013

	ECONOMIC ENTITY		CHIEF ENTITY	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>NOTE 4: OTHER EXPENSES</b>				
Affiliation fees (Note 4(i))	284,448	276,440	284,448	276,440
Assets written-off	929	7,289	929	7,289
Audit services	94,951	100,000	94,951	100,000
Meetings and conferences	647,858	497,422	647,858	497,422
Industrial defence fund - other	396,107	32,779	396,107	32,779
Industrial defence fund - legal costs	101,170	104,913	101,170	104,913
Publications and recruitment	855,515	866,093	855,515	866,093
Travel and reimbursement	702,430	523,726	702,430	512,774
Property fund outgoings	1,383,781	785,440	935,881	636,679
Administration	1,000,641	969,091	990,751	892,164
Loss on sale of investments	-	3,539	-	3,539
Change in market value of investments	-	130,275	-	130,275
Capitation fees	-	-	-	-
Compulsory levies, fees and/ or allowances paid to persons in respect of their attendances as representatives of NTEU at conferences or other meetings	-	-	-	-
Penalties imposed on the organisation under the RO Act with respect to the conduct of the NTEU	-	-	-	-
Grants	-	-	-	-
Donations (Note 4(ii))	14,071	9,338	14,071	9,338
Employer payroll deductions of membership subscriptions	92,899	80,508	92,899	80,508
Other expenses	288,082	275,277	288,250	275,276
	<u>5,862,882</u>	<u>4,662,130</u>	<u>5,405,260</u>	<u>4,425,489</u>
<b>NOTE 4(i): AFFILIATION FEES</b>				
Australian Council of Trade Unions	85,036	81,587	85,036	81,587
Australian People for Health, Education and Development Abroad	964	964	964	964
Council for Humanities, Arts and Social Sciences	4,000	4,000	4,000	4,000
Education International	49,157	46,947	49,157	46,947
Federation of Scientific and Technological Societies	6,400	4,498	6,400	4,498
Philippines Australia Union Link	50	-	50	-
Unions Australian Capital Territory	5,935	5,655	5,935	5,655
Unions New South Wales	29,166	35,558	29,166	35,558
Newcastle Trades Hall Council	774	774	774	774
Victorian Trades Hall Council	54,824	52,080	54,824	52,080
Queensland Council of Unions	31,020	26,050	31,020	26,050
Unions Tasmania	2,499	2,257	2,499	2,257
Unions South Australia	1,557	1,841	1,557	1,841
Unions of Western Australia	13,066	11,851	13,066	11,851
Unions Northern Territory	-	2,378	-	2,378
	<u>284,448</u>	<u>276,440</u>	<u>284,448</u>	<u>276,440</u>

## NTEU

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2013

	ECONOMIC ENTITY		CHIEF ENTITY	
	2013	2012	2013	2012
	\$	\$	\$	\$

**NOTE 4(ii): DONATIONS OVER \$1,000**

Included in Donations during the year ended 30 June 2013 is a donation of \$2,000 made to Australian People for Health, Education and Development Abroad to assist in educational advancement in developing countries.

**NOTE 5: EMPLOYEE BENEFITS**

Wages and salaries	9,876,737	9,270,871	9,876,737	9,270,871
Superannuation	1,587,686	1,434,624	1,587,686	1,434,624
Leave and other entitlements	285,205	(64,034)	285,205	(64,034)
Separation and redundancies	-	-	-	-
Other employee expenses	806,323	623,052	806,323	623,052
	<u>12,555,951</u>	<u>11,264,513</u>	<u>12,555,951</u>	<u>11,264,513</u>

**NOTE 6: CASH AND CASH EQUIVALENTS**

Cash on hand	1,029	731	1,029	731
Cash at bank	2,640,975	1,991,692	2,516,200	1,938,806
Short term deposits	961,358	909,144	961,358	909,144
	<u>3,603,362</u>	<u>2,901,567</u>	<u>3,478,587</u>	<u>2,848,681</u>

**NOTE 7: TRADE AND OTHER RECEIVABLES****Current**

Trade debtors	205,136	279,341	8,255	28,487
Other receivables	493,031	988,557	6,496	417,103
Accrued income	269,026	211,059	269,026	211,059
	<u>967,193</u>	<u>1,478,957</u>	<u>283,777</u>	<u>656,649</u>

**NOTE 8: OTHER FINANCIAL ASSETS****Current**

Investments in managed funds	3,075,998	2,605,135	3,075,998	2,605,135
	<u>3,075,998</u>	<u>2,605,135</u>	<u>3,075,998</u>	<u>2,605,135</u>

**Non Current**

Investments – at valuation:

Federation of Education Union Unit Trust (F.E.U.)	-	-	9,830,038	9,830,038
Federation of Education Unions Pty Ltd (Trustee of F.E.U.)	-	-	2	2
	<u>-</u>	<u>-</u>	<u>9,830,040</u>	<u>9,830,040</u>

Total other financial assets	<u>3,075,998</u>	<u>2,605,135</u>	<u>12,906,038</u>	<u>12,435,175</u>
------------------------------	------------------	------------------	-------------------	-------------------

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	<b>ECONOMIC ENTITY</b>		<b>CHIEF ENTITY</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	\$	\$	\$	\$
<b>NOTE 9: OTHER ASSETS</b>				
Prepayments	<u>226,604</u>	<u>158,797</u>	<u>198,289</u>	<u>132,729</u>
	<u>226,604</u>	<u>158,797</u>	<u>198,289</u>	<u>132,729</u>

**NOTE 10: INVESTMENT PROPERTIES**

**(i) Book value disclosure**

Buildings- at Committee valuation 2013	<u>2,551,918</u>	<u>2,551,918</u>	<u>2,551,918</u>	<u>2,551,918</u>
	<u>2,551,918</u>	<u>2,551,918</u>	<u>2,551,918</u>	<u>2,551,918</u>

The buildings were valued by the NTEU Committee of Management at 30 June 2013 with no change in value since 30 June 2010.

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

Balance at beginning of period	2,551,918	2,551,918	2,551,918	2,551,918
Additions	-	-	-	-
Revaluation	-	-	-	-
Balance at end of period	<u>2,551,918</u>	<u>2,551,918</u>	<u>2,551,918</u>	<u>2,551,918</u>

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

**(i) Book value disclosure**

Buildings – at Committee valuation	18,554,012	18,554,012	3,454,012	3,454,012
Accumulated depreciation	<u>(1,445,131)</u>	<u>(981,281)</u>	<u>(312,629)</u>	<u>(226,279)</u>
	<u>17,108,881</u>	<u>17,572,731</u>	<u>3,141,383</u>	<u>3,227,733</u>

The buildings owned by the parent entity were valued by the Committee of Management at 30 June 2013 with no change in value since the professional valuation as at 30 June 2010.

The buildings owned by the subsidiary were valued by CBRE Valuations Pty Limited as at 30 June 2013 with no change in value since 30 June 2010.

Office equipment, fixtures & fittings - at cost	577,197	486,361	281,080	193,671
Accumulated depreciation	<u>(345,603)</u>	<u>(262,602)</u>	<u>(158,428)</u>	<u>(93,727)</u>
	<u>231,594</u>	<u>223,759</u>	<u>122,652</u>	<u>99,944</u>
Leasehold improvements - at cost	1,610,737	1,583,297	1,610,737	1,583,297
Accumulated depreciation	<u>(980,613)</u>	<u>(819,790)</u>	<u>(980,613)</u>	<u>(819,791)</u>
	<u>630,124</u>	<u>763,507</u>	<u>630,124</u>	<u>763,506</u>
Motor Vehicles - at cost	105,373	105,373	105,373	105,373
Accumulated depreciation	<u>(88,521)</u>	<u>(73,078)</u>	<u>(88,521)</u>	<u>(73,078)</u>
	<u>16,852</u>	<u>32,295</u>	<u>16,852</u>	<u>32,295</u>
Work in progress	<u>12,205</u>	-	<u>12,205</u>	-
Net book value	<u>17,999,656</u>	<u>18,592,292</u>	<u>3,923,216</u>	<u>4,123,478</u>

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

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

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

**ECONOMIC ENTITY**

	<b>Buildings</b>	<b>Office equipment fixtures &amp; fittings</b>	<b>Leasehold improvements</b>	<b>Motor Vehicles</b>	<b>Total</b>
<b>2013</b>					
Balance at beginning of period	17,572,731	223,759	763,507	32,295	18,592,292
Additions	-	99,476	27,440	-	126,916
Disposals	-	-	-	-	-
Assets written-off	-	(929)	-	-	(929)
Revaluation	-	-	-	-	-
Depreciation and amortisation	(463,850)	(90,712)	(160,823)	(15,443)	(730,828)
Balance at end of period	<u>17,108,881</u>	<u>231,594</u>	<u>630,124</u>	<u>16,852</u>	<u>17,987,451</u>
<b>2012</b>					
Balance at beginning of period	18,036,581	255,074	927,088	56,004	19,274,747
Additions	-	52,368	-	-	52,368
Disposals	-	-	-	-	-
Assets written-off	-	(7,289)	-	-	(7,289)
Revaluation	-	-	-	-	-
Depreciation and amortisation	(463,850)	(76,394)	(163,581)	(23,709)	(727,534)
Balance at end of period	<u>17,572,731</u>	<u>223,759</u>	<u>763,507</u>	<u>32,295</u>	<u>18,592,292</u>



**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

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

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

**CHIEF ENTITY**

	<b>Buildings</b>	<b>Office equipment fixtures &amp; fittings</b>	<b>Leasehold improvements</b>	<b>Motor Vehicles</b>	<b>Total</b>
<b>2013</b>					
Balance at beginning of period	3,227,733	99,944	763,506	32,295	4,123,478
Additions	-	96,051	27,441	-	123,492
Disposals	-	-	-	-	-
Assets written-off	-	(929)	-	-	(929)
Revaluation	-	-	-	-	-
Depreciation and amortisation	(86,350)	(72,414)	(160,823)	(15,443)	(335,030)
Balance at end of period	<u>3,141,383</u>	<u>122,652</u>	<u>630,124</u>	<u>16,852</u>	<u>3,911,011</u>
<b>2012</b>					
Balance at beginning of period	3,314,083	116,649	927,087	56,004	4,413,823
Additions	-	44,805	-	-	44,805
Disposals	-	-	-	-	-
Assets written-off	-	(7,289)	-	-	(7,289)
Revaluation	-	-	-	-	-
Depreciation and amortisation	(86,350)	(54,221)	(163,581)	(23,709)	(327,861)
Balance at end of period	<u>3,227,733</u>	<u>99,944</u>	<u>763,506</u>	<u>32,295</u>	<u>4,123,478</u>

## NTEU

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2013

	ECONOMIC ENTITY		CHIEF ENTITY	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>NOTE 12: INTANGIBLE ASSETS</b>				
Opening balance	21,259	41,939	21,259	41,939
Additions	-	-	-	-
Less amortisation	(20,661)	(20,680)	(20,661)	(20,680)
	<u>598</u>	<u>21,259</u>	<u>598</u>	<u>21,259</u>
<b>NOTE 13: TRADE AND OTHER PAYABLES</b>				
<b>Current</b>				
Trade creditors and accruals	850,585	954,024	670,778	954,024
Payables - legal and litigation costs	47,466	7,370	47,466	7,370
Employer payroll deductions of membership subscriptions	-	-	-	-
Net GST payable	92,239	122,661	92,239	122,661
Sundry creditors	13,983	115,394	13,983	25,187
Payable to unit holders	4,008,536	4,008,536	-	-
Group loans	-	-	823,732	654,501
	<u>5,012,809</u>	<u>5,207,985</u>	<u>1,648,198</u>	<u>1,763,743</u>
<b>NOTE 14: PROVISIONS</b>				
<b>Current</b>				
Annual leave - for employees	1,048,674	922,763	1,048,674	922,763
Annual leave - for office holders	174,768	148,492	174,768	148,492
Long service leave - for employees	1,538,746	1,304,864	1,538,746	1,304,864
Long service leave - for officeholders	256,949	226,228	256,949	226,228
Separation and redundancies	-	-	-	-
Other employee provisions	-	-	-	-
	<u>3,019,137</u>	<u>2,602,347</u>	<u>3,019,137</u>	<u>2,602,347</u>
<b>Non current</b>				
Long service leave- for employees	321,604	402,250	321,604	402,250
Long service leave- for officeholders	101,689	53,149	101,689	53,149
	<u>423,293</u>	<u>455,399</u>	<u>423,293</u>	<u>455,399</u>
Total provisions	<u>3,442,430</u>	<u>3,057,746</u>	<u>3,442,430</u>	<u>3,057,746</u>

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	<b>ECONOMIC ENTITY</b>		<b>CHIEF ENTITY</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	\$	\$	\$	\$
<b>NOTE 15: RESERVES</b>				
Defence reserve	4,268,527	3,692,420	4,268,527	3,692,420
Leave reserve	2,801,658	2,492,477	2,801,658	2,492,477
Property reserve	5,000,000	5,000,000	5,000,000	5,000,000
Asset revaluation reserve	131,502	131,502	131,502	131,502
	<u>12,201,687</u>	<u>11,316,399</u>	<u>12,201,687</u>	<u>11,316,399</u>
<b>Movements during the year</b>				
<i>Defence reserve</i>				
Balance at beginning of year	3,692,420	3,351,112	3,692,420	3,351,112
Transfer to retained surplus	-	-	-	-
Transfer from retained surplus	576,107	341,308	576,107	341,308
Balance at end of year	<u>4,268,527</u>	<u>3,692,420</u>	<u>4,268,527</u>	<u>3,692,420</u>
<i>Leave reserve</i>				
Balance at beginning of year	2,492,477	2,181,930	2,492,477	2,181,930
Transfer to retained surplus	-	-	-	-
Transfer from retained surplus	309,181	310,547	309,181	310,547
Balance at end of year	<u>2,801,658</u>	<u>2,492,477</u>	<u>2,801,658</u>	<u>2,492,477</u>
<i>Property reserve</i>				
Balance at beginning of year	5,000,000	5,000,000	5,000,000	5,000,000
Transfer to retained surplus	-	-	-	-
Transfer from retained surplus	-	-	-	-
Balance at end of year	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
<i>Asset revaluation reserve</i>				
Balance at beginning of year	131,502	131,502	131,502	131,502
Decrease in reserve	-	-	-	-
Increase in reserve	-	-	-	-
Balance at end of year	<u>131,502</u>	<u>131,502</u>	<u>131,502</u>	<u>131,502</u>
<b>NOTE 16: RETAINED SURPLUS/ (DEFICIT)</b>				
Retained surplus at beginning of the financial year	6,187,305	6,089,878	6,632,001	6,312,225
Net operating surplus/ (deficit) for the year	(74,104)	594,130	303,395	971,631
Transfer to and from reserves:				
Defence reserve	(576,107)	(341,308)	(576,107)	(341,308)
Leave reserve	(309,181)	(310,547)	(309,181)	(310,547)
Other transfers	155,152	155,152	-	-
Retained surplus at the end of the financial year	<u>5,383,065</u>	<u>6,187,305</u>	<u>6,050,108</u>	<u>6,632,001</u>

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	<b>ECONOMIC ENTITY</b>		<b>CHIEF ENTITY</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	\$	\$	\$	\$
<b>NOTE 17: CASH FLOW INFORMATION</b>				
Reconciliation of net operating deficit to net cash flows from operating activities:				
Net operating deficit	(74,104)	594,130	303,395	971,631
Non-cash flows in operating activities:				
Depreciation and amortisation	751,489	748,214	355,691	348,541
Assets written off	929	7,289	929	7,289
Change in net market value of investments	<u>(284,177)</u>	<u>130,275</u>	<u>(284,177)</u>	<u>130,275</u>
Changes in assets and liabilities:				
Decrease/(increase) in receivables	511,764	(254,465)	372,872	(51,518)
Decrease/(increase) in other assets	(67,807)	25,421	(65,560)	25,430
(Decrease)/increase in payables	(195,176)	(29,500)	(115,545)	(121,862)
(Decrease)/increase in employee provisions	<u>384,684</u>	<u>(25,159)</u>	<u>384,684</u>	<u>(25,159)</u>
Net cash flows from operating activities	<u><u>1,027,602</u></u>	<u><u>1,196,205</u></u>	<u><u>952,289</u></u>	<u><u>1,284,627</u></u>

**NOTE 18: RELATED PARTY INFORMATION**

**(a) Executive Officers**

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

Jeannie Rea	Gregory McCarthy	Gabrielle Gooding	Grahame McCulloch
Matthew McGowan	Jillian Miller	Colin Long	John Kenny
Lolita Wikander	Stephen Darwin	Margaret Lee	Kelvin Michael
Kevin Rouse	Lynette Bloom	John Sinclair	Genevieve Kelly
Andrew Bonnell	Derek Corrigan	John Fitzsimmons	Virginia Mansel Lees
Terry Mason	Helen Masterman-Smith	Susan Price	Michael Thomson
Janet Sinclair-Jones	Lynda Davies	Melissa Slee	Linda Cecere
Ryan Hsu			

	<b>2013</b>	<b>2012</b>
	\$	\$
<b>Remuneration of Salaried Elected Officers</b>		
Income due to or receivable by Salaried Elected Officers of the Union.		
Wages and salaries	1,224,334	1,111,001
Superannuation	205,932	187,004
Leave and other entitlements	62,517	38,875
Separation and redundancies	-	-
Other employee expenses	<u>90,242</u>	<u>76,724</u>
	<u><u>1,583,025</u></u>	<u><u>1,413,604</u></u>

## NTEU

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2013

**NOTE 18: RELATED PARTY INFORMATION (continued)****(a) Executive Officers (continued)**

The names of the Salaried Elected Officers of the NTEU during the financial year are:

Stephen Darwin	Genevieve Kelly	Colin Long	Margaret Lee
Kevin Rouse	Lynette Bloom	Grahame McCulloch	Matthew McGowan
Jeannie Rea	Gabrielle Gooding		

**Individual Remuneration of Salaried Elected Officers**

	<b>Wages and salaries</b>	<b>Superannuation</b>	<b>Leave/other entitlements</b>	<b>Other expenses</b>	<b>Total</b>
G McCulloch	202,441	34,170	10,554	13,600	260,765
J Rea	169,441	28,560	8,801	11,383	218,185
M McGowan	150,775	25,386	7,821	10,129	194,111
S Darwin	118,162	19,842	6,094	11,620	155,718
G Kelly	118,162	19,842	6,094	9,399	153,497
K Rouse	118,162	19,842	6,094	9,249	153,347
M Lee	118,162	19,842	6,094	7,282	151,380
C Long	110,113	18,477	4,871	9,093	142,554
G Gooding	82,786	13,829	-	5,908	102,523
L Bloom	36,130	6,142	6,094	2,579	50,945
	<b>1,224,334</b>	<b>205,932</b>	<b>62,517</b>	<b>90,242</b>	<b>1,583,025</b>

The NTEU has nine paid elected officers – three National Officers (President, General Secretary and National Assistant Secretary) and six full time State Division Secretaries (Victoria, NSW, QLD, ACT, SA and WA). Salary rates are set out in a National Salaried Officers Agreement and are benchmarked against the weighted average of Level E and Level D academic rates. They are automatically adjusted on the first full pay period in March annually in line with the average benchmark rate. The purpose of such benchmarking is to ensure transparency as well as to ensure that NTEU Elected Officers' salaries only increase in line with salary movements in the sector. On this basis the relevant salary rates applied on the first full pay period in March 2013 are:

President	\$173,863	(112.5% of Level E)
General Secretary	\$206,863	(112.5% of Level E + \$33K work value/responsibility loading)
National Assistant Secretary	\$154,545	(100% of Level E)
Division Secretaries	\$121,582	(100% of Level D)

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**NOTE 18: RELATED PARTY INFORMATION (continued)**

**(b) Other related parties**

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

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

**(ii) Federation of Education Union Unit Trust (F.E.U.)**

The Union is a tenant of the building owned by the F.E.U. Rent and outgoings of \$539,041 (2012: \$402,872) in connection with the occupancy are paid to the F.E.U. in the ordinary course of business and on normal commercial terms and conditions and at market rates.

**(c) Subsidiaries**

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

<b>Parent Entity</b>	<b>Country of Incorporation</b>	<b>Ownership Interest</b>	
		<b>2013</b>	<b>2012</b>
National Tertiary Education Industry Union	Australia	-	-
<b>Subsidiaries of NTEU</b>			
Federation of Education Unions Trust	Australia	58.9%	58.9%
Net amount payable by the F.E.U to NTEU		\$ 4,920,862	\$ 5,090,093

**NOTE 19: COMMITMENTS**

<b>Operating lease commitments</b>	<b>ECONOMIC ENTITY</b>		<b>CHIEF ENTITY</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Future operating lease rentals of premises, plant and equipment not provided for in the financial statements and payable:				
Not later than one year	314,076	248,380	314,076	248,380
Later than one year but not later than five years	511,551	736,395	511,551	736,395
Later than five years	-	-	-	-
	<u>825,627</u>	<u>984,775</u>	<u>825,627</u>	<u>984,775</u>

## NTEU

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2013

## NOTE 20: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

## (a) Significant accounting policies

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

## (b) Categorisation of financial instruments

## (i) Economic Entity

Financial assets	Note	Category	Carrying amount 2013	Carrying amount 2012
Cash and cash equivalents	6	N/A	3,603,362	2,901,567
Receivables	7	Loans and receivables	967,193	1,478,957
Investments	8	Fair value through profit or loss	3,075,998	2,605,135
<b>Financial liabilities</b>				
Payables	13	Financial liabilities	4,920,570	5,085,324

## (ii) Chief Entity

Financial assets	Note	Category	Carrying amount 2013	Carrying amount 2012
Cash and cash equivalents	6	N/A	3,478,587	2,848,681
Receivables	7	Loans and receivables	283,777	656,649
Investments	8	Fair value through profit or loss	12,906,038	12,435,175
<b>Financial liabilities</b>				
Payables	13	Financial liabilities	1,555,959	1,641,082

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

## (c) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Union'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 statement of financial position.

**Financial assets that are either past due or impaired**

Currently the Union 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 indication that the financial assets have been 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.

## NTEU

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2013

## NOTE 20: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

## (c) Credit risk (continued)

Interest rate exposure and ageing analysis of financial assets									
(i)	Economic Entity	Interest rate exposure			Past due by				
		Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing	Less than 1 Month	1-3 months	3 months – 1 year	1-5 years
<b>2013</b>									
	Cash assets	3,603,362	961,358	2,640,975	1,029	-	-	-	-
	Receivables	967,193	-	-	967,193	-	-	-	-
	Other	3,075,998	-	-	3,075,998	-	-	-	-
		7,646,553	961,358	2,640,975	4,044,220	-	-	-	-
<b>2012</b>									
	Cash assets	2,901,567	909,144	1,991,692	731	-	-	-	-
	Receivables	1,478,957	-	-	1,478,957	-	-	-	-
	Other	2,605,135	-	-	2,605,135	-	-	-	-
		6,985,659	909,144	1,991,692	4,084,823	-	-	-	-
(ii)	Chief Entity	Interest rate exposure			Past due by				
		Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing	Less than 1 Month	1-3 months	3 months – 1 year	1-5 years
<b>2013</b>									
	Cash assets	3,478,587	961,358	2,516,200	1,029	-	-	-	-
	Receivables	283,777	-	-	283,777	-	-	-	-
	Other	12,906,038	-	-	12,906,038	-	-	-	-
		16,668,402	961,358	2,516,200	13,190,844	-	-	-	-
<b>2012</b>									
	Cash assets	2,848,681	909,144	1,938,806	731	-	-	-	-
	Receivables	656,649	-	-	656,649	-	-	-	-
	Other	12,435,175	-	-	12,435,175	-	-	-	-
		15,940,505	909,144	1,938,806	13,092,555	-	-	-	-



## NTEU

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2013

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

**(d) Liquidity risk**

Liquidity risk arises when the Union is unable to meet its financial obligations as they fall due. The Union operates under the policy of settling financial obligations within 30 days and in the event of a dispute, makes 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 Union'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.

**(e) Market risk**

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

**(f) Interest rate risk**

Exposure to interest rate risk might arise primarily through the Union's cash & deposits. Minimisation of risk is achieved mainly by undertaking fixed rate or non-interest bearing financial instruments. The Union's exposure to interest rate risk is set out in the table below.

<b>Interest rate exposure and maturity analysis of financial liabilities</b>								
<b>(i) Economic Entity</b>								
	<i>Nominal amount</i>	<i>Interest rate exposure</i>			<i>Maturity dates</i>			
		<i>Fixed interest rate</i>	<i>Variable interest rate</i>	<i>Non-interest bearing</i>	<i>Less than 1 month</i>	<i>1-3 months</i>	<i>3 months – 1 year</i>	<i>1-5 years</i>
<b>2013</b>								
Payables	4,920,570	-	-	4,920,570	4,920,570	-	-	-
	4,920,570	-	-	4,920,570	4,920,570	-	-	-
<b>2012</b>								
Payables	5,085,324	-	-	5,085,324	5,085,324	-	-	-
	5,085,324	-	-	5,085,324	5,085,324	-	-	-
<b>(ii) Chief Entity</b>								
	<i>Nominal amount</i>	<i>Interest rate exposure</i>			<i>Maturity dates</i>			
		<i>Fixed interest rate</i>	<i>Variable interest rate</i>	<i>Non-interest bearing</i>	<i>Less than 1 month</i>	<i>1-3 months</i>	<i>3 months – 1 year</i>	<i>1-5 years</i>
<b>2013</b>								
Payables	1,555,959	-	-	1,555,959	1,555,959	-	-	-
	1,555,959	-	-	1,555,959	1,555,959	-	-	-
<b>2012</b>								
Payables	1,641,082	-	-	1,641,082	1,641,082	-	-	-
	1,641,082	-	-	1,641,082	1,641,082	-	-	-

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

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

**(g) Other price risk**

Exposure to other market price risk might arise through the Union's investments in Australian equities, fixed interest securities and Property Trusts. Minimisation of risk is achieved by having an investment policy adopted by the Union which includes use of an outside Investment Manager who has been given a specific mandate for investment.

**(h) Sensitivity disclosure analysis**

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Union believes the movements in the table below are 'reasonably possible' over the next 12 months. The table discloses the impact on net operating result and equity for each category of financial instrument held by the Union at year-end as presented to key management personnel, if the above movements were to occur.

**Market risk exposure**

<b>(i) Economic Entity</b>									
	<i>Carrying amount</i>	<i>Interest rate risk</i>				<i>Market risk</i>			
		<i>-1% (100 basis points)</i>		<i>+1% (100 basis points)</i>		<i>-10% (1000 basis points)</i>		<i>+10% (1000 basis points)</i>	
		<i>Surplus</i>	<i>Equity</i>	<i>Surplus</i>	<i>Equity</i>	<i>Surplus</i>	<i>Equity</i>	<i>Surplus</i>	<i>Equity</i>
<b>2013</b>									
<b>Financial assets:</b>									
Cash assets-variable rates	2,640,975	(26,410)	(26,410)	26,410	26,410	-	-	-	-
Investments	3,075,998	-	-	-	-	(307,600)	(307,600)	307,600	307,600
<b>Total</b>	<b>5,716,973</b>	<b>(26,410)</b>	<b>(26,410)</b>	<b>26,410</b>	<b>26,410</b>	<b>(307,600)</b>	<b>(307,600)</b>	<b>307,600</b>	<b>307,600</b>
<b>Financial liabilities:</b>									
Borrowings	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

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

**Market risk exposure (continued)**

<b>(ii) Chief Entity</b>									
	<i>Carrying amount</i>	<i>Interest rate risk</i>				<i>Market risk</i>			
		<i>-1% (100 basis points)</i>		<i>+1% (100 basis points)</i>		<i>-10% (1000 basis points)</i>		<i>+10% (1000 basis points)</i>	
		<i>Surplus</i>	<i>Equity</i>	<i>Surplus</i>	<i>Equity</i>	<i>Surplus</i>	<i>Equity</i>	<i>Surplus</i>	<i>Equity</i>
<b>2013</b>									
<b>Financial assets:</b>									
Cash assets-variable rates	2,516,200	(25,162)	(25,162)	25,162	25,162	-	-	-	-
Investments	3,075,998	-	-	-	-	(307,600)	(307,600)	307,600	307,600
<b>Total</b>	<b>5,592,198</b>	<b>(25,162)</b>	<b>(25,162)</b>	<b>25,162</b>	<b>25,162</b>	<b>(307,600)</b>	<b>(307,600)</b>	<b>307,600</b>	<b>307,600</b>
<b>Financial liabilities:</b>									
Borrowings	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(i) Fair value**

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

- (a) 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.

The Union 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, as marketable securities are recorded at their respective quoted market prices and cash assets are held in short term deposits.

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

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

**(j) Assets held as collateral**

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

**NOTE 21: EVENTS AFTER THE REPORTING PERIOD**

Subsequent to year end, the NTEU signed a contract to renovate the offices located at 120 Clarendon Street, South Melbourne. These costs will be included as leasehold improvements once completed. The estimated cost on the renovation is \$250,000.

There have been no other events after the reporting period that have a material impact on the financial report.

**NOTE 22: REGISTERED OFFICE**

The registered office of the Union is:

120 Clarendon Street  
South Melbourne  
Victoria 3205

**INDEPENDENT AUDITORS REPORT  
TO THE MEMBERS OF NTEU**

**Scope**

***The financial report and Executive Committee's responsibility***

The financial report comprises the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, accompanying notes to the financial statements, and the Executive Committee's statement of the NTEU for the year ended 30 June 2013. The audit also encompasses any recovery of wages activity.

The Executive Committee of the Union is responsible for the preparation and fair presentation of the financial report in accordance with the *Fair Work (Registered Organisations) Act 2009*. 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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Independence**

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

**INDEPENDENT AUDITORS REPORT  
TO THE MEMBERS OF NTEU (CONTINUED)**

**Audit Opinion**

In our opinion:

- (a) the general purpose financial report presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia, the requirements of the Fair Work (Registered Organisations) Act 2009, and other requirements imposed by these reporting guidelines or Part 3 of Chapter 8 of the RO Act;
- (b) management's use of the going concern basis of accounting in the preparation of NTEU's financial report is appropriate; and
- (c) the financial report properly and fairly reports all information required by the reporting guidelines of the general manager, including:
  - i. any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
  - ii. any donations or other contributions deducted from recovered money.

*DFK Collins*

DFK Collins  
Chartered Accountants

*Robert Wernli*

Robert Wernli, A.C.A.  
Partner  
Registered Company Auditor, Registration Number: 16278

Melbourne  
Date: 15 November 2013



**NATIONAL OFFICE**

ABN 38 579 396 344

First floor, 120 Clarendon St, Southbank VIC 3006

PO Box 1323, South Melbourne VIC 3205

Tel: (03) 9254 1910 Fax: (03) 9254 1915

Email: [nteunat@nteu.org.au](mailto:nteunat@nteu.org.au)

Web: [www.nteu.org.au](http://www.nteu.org.au)

## ERRATA

### NTEU Financial Report for the year ended 30 June 2013

Page 1:

For

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

Read

“Grahame McCulloch is a director of UniSuper Limited, which is the trustee company of UniSuper, the superannuation entity, with directors fees paid to the Union during the financial year ended 30 June 2013 of \$16,908.

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

A handwritten signature in blue ink, appearing to read 'Grahame McCulloch', written over a horizontal dotted line.

Grahame McCulloch  
General Secretary

25 November 2013

A handwritten signature in blue ink, appearing to read 'Matthew McGowan', written over a horizontal dotted line.

Matthew McGowan  
National Assistant Secretary

25 November 2013