



6 January 2016

Mr Grahame McCulloch  
General Secretary  
National Tertiary Education Industry Union  
1<sup>st</sup> Floor 120 Clarendon Street  
SOUTH MELBOURNE VIC 3205

via email: [gmcculloch@nteu.org.au](mailto:gmcculloch@nteu.org.au)

Dear Mr McCulloch

**National Tertiary Education Industry Union Financial Report for the year ended 30 June 2015 - [FR2015/228]**

I acknowledge receipt of the financial report of the National Fire Industry Association (the Organisation). The documents were lodged with the Fair Work Commission (FWC) on 18 December 2015.

The financial report has now been filed.

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 30 June 2016 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged, except for the requirements under the sub-heading *Statement of Loans, Grants and Donations*. The FWC will confirm these concerns have been addressed prior to filing next year's report.

**Statement of comprehensive income**

Statement of Loans, Grants and Donations

A Loans, Grants and Donations statement for the reporting unit was lodged with the FWC as required under subsection 237(1) of the RO Act on 31 July 2015. A 'nil' figure for grants was supplied in the financial report under Note 4 *Other Expenses* however a figure for grants was supplied in the Loans, Grants and Donations Statement.

Can you please confirm that the figure report in the Loans, Grants and Donations statement is correct, and if not, submit an amended statement.

**Statement of financial position**

Disclosure of payables in respect of legal costs

Reporting Guideline 20(b) requires a payable in relation to legal costs to be disclosed by litigation and by other legal matters. Note 12 *Trade and Other Payables* discloses this liability but does not distinguish based on the categories indicated above.

Please note that Reporting Guideline 21 states that if the activities identified in item 20 have not occurred in the reporting period, a statement to this effect must be included in the GPFR.

### **Reporting Requirements**

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on 03) 8656 4681 or by email at [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Joanne Fenwick', with a long horizontal flourish extending to the right.

Joanne Fenwick  
Financial Reporting Specialist  
Regulatory Compliance Branch



# National Tertiary Education Union

National Tertiary Education Union ABN 35 519 295 344

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s.268 Fair Work (Registered Organisations) Act 2009

## CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2015

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 2015 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 *20 November 2015*; and
- that the full report was presented to *a meeting of the committee of management* of the reporting unit on *18 December 2015* 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: 18 December 2015

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 vertical line across the top of the page.

# ***NTEU***

***Financial Report for the year ended  
30 June 2015***

**NTEU**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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**NTEU**  
**OPERATING REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**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**

Grahame McCulloch is a director of UniSuper Limited, which is the trustee company of UniSuper, the superannuation entity.

Colin Long is a director of VicSuper Pty Limited, which is the trustee company of VicSuper, the superannuation entity.

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.

**Number of members**

The number of persons who, at the end of the financial year, were recorded on the Register of Members was 27,150 (2014: 27,577).

**Number of employees**

The number of persons who were, at the end of the financial year, employees of the Union was 121.42 (2014:121.46) measured on a full time equivalent basis.

**NTEU**  
**OPERATING REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**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)	Kelvin Michael	1 July to 4 October
Vice President (General)	Lynda Davies	1 July to 4 October
Vice President (Academic)	Andrew Bonnell	4 October to 30 June
Vice President (General)	Michael Thomson	4 October to 30 June
General Secretary	Grahame McCulloch	
NTEU Assistant Secretary	Matthew McGowan	
Chair of Aboriginal and Torres Strait Islander Policy Committee	Terry Mason	
NTEU Executive Member	Gabrielle Gooding	
NTEU Executive Member	Colin Long	
NTEU Executive Member	Stephen Darwin	1 July to 2 January
NTEU Executive Member	Rachael Bahl	29 April to 30 June
NTEU Executive Member	Margaret Lee	1 July to 4 October
NTEU Executive Member	Michael McNally	4 October to 30 June
NTEU Executive Member	Kelvin Michael	4 October to 30 June
NTEU Executive Member	Kevin Rouse	
NTEU Executive Member	Genevieve Kelly	
NTEU Executive Member	Andrew Bonnell	1 July to 4 October
NTEU Executive Member	Virginia Mansel Lees	
NTEU Executive Member	Michael Thomson	4 October to 30 June
NTEU Executive Member	Carolyn Cope	4 October to 30 June
NTEU Executive Member	John Kenny	1 July to 4 October
NTEU Executive Member	Lolita Wikander	
NTEU Executive Member	Anne Price	4 October to 30 June
NTEU Executive Member	Ryan Hsu	1 July to 4 October
NTEU Executive Member	Melissa Slee	
NTEU Executive Member	John Sinclair	
NTEU Executive Member	Stuart Bunt	
NTEU Executive Member	Cathy Rytmeister	4 October to 30 June
NTEU Executive Member	Ronald Slee	4 October to 30 June


**NTEU**  
**OPERATING REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**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: 20/11/2015

~~Matthew McGowan~~ *Seannie Rea*  
 Title: ~~National Assistant Secretary~~  
*National President*

Signature:   
 Date: 20/11/15



**NTEU**  
**COMMITTEE OF MANAGEMENT STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2015**

On 20/11/2015 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 2015:

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:

No revenue has been derived from undertaking recovery of wages activity for the financial year ended 30 June 2015.

This declaration is made in accordance with a resolution of the Committee of Management.

Grahame McCulloch  
 Title: General Secretary

~~Matthew McGowan~~ *Jeannie Rea*  
 Title: ~~National Assistant Secretary~~ *National President*

Signature:   
 Date: 20/11/2015

Signature:   
 Date: 20/11/15

**NTEU**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2015**

		<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>Note</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>INCOME FROM TRANSACTIONS</b>					
Operating revenue	3	20,420,545	19,973,097	20,420,545	19,973,097
Non-operating revenue	3	1,460,758	1,338,607	1,121,866	1,042,512
<b>TOTAL REVENUE</b>		<u>21,881,303</u>	<u>21,311,704</u>	<u>21,542,411</u>	<u>21,015,609</u>
<b>EXPENSES FROM TRANSACTIONS</b>					
Employee benefits	5	14,257,680	13,372,387	14,257,680	13,372,387
Officeholder benefits	17(a)	1,691,516	1,649,011	1,691,516	1,649,011
Depreciation and amortisation		817,401	747,909	415,020	344,923
Interest		-	-	-	-
Other expenses	4	5,326,491	6,642,789	5,012,480	6,372,180
<b>TOTAL EXPENSES FROM TRANSACTIONS</b>		<u>22,093,088</u>	<u>22,412,096</u>	<u>21,376,696</u>	<u>21,738,501</u>
<b>NET RESULT FROM TRANSACTIONS</b>		<u>(211,785)</u>	<u>(1,100,392)</u>	<u>165,715</u>	<u>(722,892)</u>
<b>NET OPERATING RESULT</b>		<u>(211,785)</u>	<u>(1,100,392)</u>	<u>165,715</u>	<u>(722,892)</u>
<b>OTHER ECONOMIC FLOWS</b>					
Changes in asset revaluation reserve	14	-	323,960	-	323,960
<b>COMPREHENSIVE RESULT</b>		<u>(211,785)</u>	<u>(776,432)</u>	<u>165,715</u>	<u>(398,932)</u>
<b>NET OPERATING RESULT FOR THE PERIOD IS ATTRIBUTABLE TO:</b>					
Non-controlling interest		(155,152)	(155,152)	-	-
Owners of the parent		<u>(56,633)</u>	<u>(945,240)</u>	-	-
		<u>(211,785)</u>	<u>(1,100,392)</u>	-	-
<b>TOTAL COMPREHENSIVE RESULT FOR THE PERIOD IS ATTRIBUTABLE TO:</b>					
Non-controlling interest		(155,152)	(155,152)	-	-
Owners of the parent		<u>(56,633)</u>	<u>(621,280)</u>	-	-
		<u>(211,785)</u>	<u>(776,432)</u>	-	-

The accompanying notes form part of these financial statements.

**NTEU**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2015**

		<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>Note</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>					
Cash and cash equivalents	6	1,363,206	1,335,315	1,199,714	956,352
Trade and other receivables	7	539,756	788,953	538,406	330,156
Other financial assets	8	2,621,606	3,140,753	2,621,606	3,140,753
Other assets	9	356,668	261,348	323,674	193,632
<b>TOTAL CURRENT ASSETS</b>		<u>4,881,236</u>	<u>5,526,369</u>	<u>4,683,400</u>	<u>4,620,893</u>
<b>NON-CURRENT ASSETS</b>					
Trade and other receivables	7	-	-	4,973,328	5,744,596
Other financial assets	8	-	-	4,282,178	4,085,444
Investment properties	10	2,431,006	2,431,006	2,431,006	2,431,006
Property, plant and equipment	11	19,787,294	20,058,566	6,151,249	6,378,603
<b>TOTAL NON-CURRENT ASSETS</b>		<u>22,218,300</u>	<u>22,489,572</u>	<u>17,837,761</u>	<u>18,639,649</u>
<b>TOTAL ASSETS</b>		<u>27,099,536</u>	<u>28,015,941</u>	<u>22,521,161</u>	<u>23,260,542</u>
<b>LIABILITIES</b>					
Trade and other payables	12	3,903,626	5,093,807	425,825	1,679,203
Provisions	13	3,495,174	3,208,727	3,495,174	3,208,727
<b>TOTAL CURRENT LIABILITIES</b>		<u>7,398,800</u>	<u>8,302,534</u>	<u>3,920,999</u>	<u>4,887,930</u>
<b>NON-CURRENT LIABILITIES</b>					
Provisions	13	581,584	519,749	581,584	519,749
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>581,584</u>	<u>519,749</u>	<u>581,584</u>	<u>519,749</u>
<b>TOTAL LIABILITIES</b>		<u>7,980,384</u>	<u>8,822,283</u>	<u>4,502,583</u>	<u>5,407,679</u>
<b>NET ASSETS</b>		<u>19,119,152</u>	<u>19,193,658</u>	<u>18,018,578</u>	<u>17,852,863</u>
<b>EQUITY</b>					
Reserves	14	13,441,022	12,513,299	13,441,022	12,513,299
Retained earnings	15	3,465,817	4,450,173	4,577,556	5,339,564
Non-controlling interest		2,212,313	2,230,186	-	-
<b>TOTAL EQUITY</b>		<u>19,119,152</u>	<u>19,193,658</u>	<u>18,018,578</u>	<u>17,852,863</u>

The accompanying notes form part of these financial statements.

**NTEU**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	Reserves	Retained Earnings	Non-Controlling Interest	Total Equity
	\$	\$	\$	\$
<b>CONSOLIDATED</b>				
<b>At 1 July 2013</b>	12,201,687	5,383,065	2,385,338	19,970,090
Deficit for the year	-	(1,100,392)	-	(1,100,392)
Movement in non-controlling interest	-	155,152	(155,152)	-
Transfer (from)/to reserves	(12,348)	12,348	-	-
Movement in asset revaluation reserve	323,960	-	-	323,960
<b>At 30 June 2014</b>	12,513,299	4,450,173	2,230,186	19,193,658
Deficit for the year	-	(211,785)	-	(211,785)
Movement in non-controlling interest	-	155,152	(155,152)	-
Contribution from unitholders	-	-	137,279	137,279
Transfer (from)/to reserves	927,723	(927,723)	-	-
Movement in asset revaluation reserve	-	-	-	-
<b>As at 30 June 2015</b>	13,441,022	3,465,817	2,212,313	19,119,152
<b>PARENT</b>				
<b>At 1 July 2013</b>	12,201,687	6,050,108	-	18,251,795
Deficit for the year	-	(722,892)	-	(722,892)
Transfer (from)/to reserves	(12,348)	12,348	-	-
Movement in asset revaluation reserve	323,960	-	-	323,960
<b>At 30 June 2014</b>	12,513,299	5,339,564	-	17,852,863
Surplus for the year	-	165,715	-	165,715
Transfer (from)/to reserves	927,723	(927,723)	-	-
Movement in asset revaluation reserve	-	-	-	-
<b>As at 30 June 2015</b>	13,441,022	4,577,556	-	18,018,578

The accompanying notes form part of these financial statements.

**NTEU**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	Note	CONSOLIDATED		PARENT	
		2015 \$	2014 \$	2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Revenue from operating activities		24,187,841	23,176,475	23,898,324	22,552,840
Interest and other receipts		10,772	60,103	10,772	60,103
Distribution received		163,874	179,853	163,874	179,853
Payments to suppliers and employees		(22,939,889)	(21,957,113)	(22,573,289)	(21,631,075)
Interest paid			-	-	-
Net GST paid to Australian Tax Office		(1,602,625)	(1,303,443)	(1,488,689)	(1,266,543)
<b>Net cash (used in)/provided by operating activities</b>	16	<u>(180,027)</u>	<u>155,875</u>	<u>(10,992)</u>	<u>(104,822)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
(Payments)/disposals for property, plant & equipment		(546,131)	(2,560,537)	(187,666)	(2,554,028)
(Payments)/disposals for other financial assets		616,770	136,615	420,036	136,615
<b>Net cash (used in)/provided by investing activities</b>		<u>70,639</u>	<u>(2,423,922)</u>	<u>232,370</u>	<u>(2,417,413)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Contributions from unitholders		137,279	-	-	-
<b>Net cash (used in)/provided by investing activities</b>		<u>137,279</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net increase/(decrease) in cash &amp; cash equivalents held</b>		27,891	(2,268,047)	243,362	(2,522,235)
<b>Cash and cash equivalents at beginning of year</b>		1,335,315	3,603,362	956,352	3,478,587
<b>Cash and cash equivalents at end of year</b>	6	<u>1,363,206</u>	<u>1,335,315</u>	<u>1,199,714</u>	<u>956,352</u>

The accompanying notes form part of these financial statements.

**NTEU**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2015**

**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 2015 (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 17(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 finance lease agreements during the period.

## NTEU

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

## 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.

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 2015

## 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 2015

## 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, 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	2015	2014
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 2015**

**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) Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**(s) AASB Accounting Standards and Interpretations**

Certain new Australian accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting period. As at 30 June 2015, the following standards and interpretations had been issued but were not mandatory for the reporting ended 30 June 2015. 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 and its consequential amendments	The key changes with this standard include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	Beginning 1 January 2018	The union will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be 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 2015****NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(t) 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 2015

**NOTE 2: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Estimation of useful lives of assets*

NTEU determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Employee benefits provision*

As discussed in note 1(g), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

*Fair value measurement hierarchy*

NTEU is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NOTE 3: REVENUE FROM ORDINARY ACTIVITIES</b>				
<b>Operating revenue:</b>				
Membership fees	<u>20,420,545</u>	<u>19,973,097</u>	<u>20,420,545</u>	<u>19,973,097</u>
<b>Total operating revenue</b>	<u>20,420,545</u>	<u>19,973,097</u>	<u>20,420,545</u>	<u>19,973,097</u>
<b>Non operating revenue:</b>				
Rent received	738,275	720,819	564,372	537,414
Distribution received	193,211	179,853	193,211	179,853
Interest received	10,772	60,103	10,772	60,103
Sundry income	420,877	199,042	255,888	36,352
Voluntary member contributions for industrial action (Note 3(i))	-	27,420	-	27,420
Change in market value of investments	68,286	201,370	68,286	201,370
Gain on sales of investments	29,337	-	29,337	-
Capitation fees	-	-	-	-
Levies	-	-	-	-
Donations or grants	-	-	-	-
<b>Total non operating revenue</b>	<u>1,460,758</u>	<u>1,338,607</u>	<u>1,121,866</u>	<u>1,042,512</u>
<b>Total revenue from ordinary activities</b>	<u>21,881,303</u>	<u>21,311,704</u>	<u>21,542,411</u>	<u>21,015,609</u>

**NOTE 3(i): VOLUNTARY MEMBER CONTRIBUTIONS**

Members of NTEU made voluntary contributions to support workplace industrial action. All funds contributed were distributed to the branches and utilised within the financial period. No voluntary contributions were invested in assets or transferred to controlled entities.

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NOTE 4: OTHER EXPENSES</b>				
Affiliation fees (Note 4(i))	321,506	328,920	321,506	328,920
Assets written-off	836	78,276	836	78,276
Audit services	63,830	46,500	63,830	39,750
Meetings and conferences	502,522	538,419	502,522	538,419
Industrial defence fund - other	89,012	278,245	89,012	278,245
Industrial defence fund - legal costs	143,568	329,264	143,568	329,264
Industrial defence campaigns	12,446	1,054,331	12,446	1,054,331
Publications and recruitment	672,597	595,026	672,597	595,026
Travel and reimbursement	751,435	736,547	751,435	736,547
Property fund outgoings	1,154,132	876,592	851,536	606,803
Administration	1,278,438	1,088,322	1,267,023	1,088,322
General legal costs	24,226	41,143	24,226	41,143
Change in market value of investment property	-	120,912	-	120,912
Change in market value of investments	-	-	-	-
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))	20,630	24,231	20,630	24,231
Employer payroll deductions of membership subscriptions	-	44,944	-	44,944
Other expenses	291,313	461,117	291,313	467,047
	<u>5,326,491</u>	<u>6,642,789</u>	<u>5,012,480</u>	<u>6,372,180</u>

## NTEU

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

	CONSOLIDATED		PARENT	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>NOTE 4: OTHER EXPENSES (Continued)</b>				
<b>NOTE 4 (i): AFFILIATION FEES</b>				
Australian Council of Trade Unions	92,046	88,484	92,046	88,484
Australian People for Health, Education and Development Abroad	5,564	740	5,564	740
Council for Humanities, Arts and Social Sciences	4,000	4,000	4,000	4,000
Education International	61,678	59,639	61,678	59,639
Science & Technology Australia	6,765	6,600	6,765	6,600
Philippines Australia Union Link	50	50	50	50
Newcastle Trades Hall Council	2,689	774	2,689	774
Victorian Trades Hall Council	53,226	57,148	53,226	57,148
Queensland Council of Unions	23,950	32,911	23,950	32,911
Unions Australian Capital Territory	6,192	26,367	6,192	26,367
Unions New South Wales	26,327	31,315	26,327	31,315
Unions Tasmania	3,669	3,288	3,669	3,288
Unions South Australia	1,450	1,918	1,450	1,918
Unions of Western Australia	16,563	14,352	16,563	14,352
Unions Northern Territory	-	1,334	-	1,334
Sydney Alliance for Community Building Ltd	5,448	-	5,448	-
Council of Social Service of NSW	282	-	282	-
Workers Health Centre	1,239	-	1,239	-
NT Trades & Labour Council	2,240	-	2,240	-
Australia Asia Workers Link	582	-	582	-
Ballarat Regional Trades & Labour Council	999	-	999	-
Bendigo Trades Hall Council	305	-	305	-
Geelong Trades Hall Council	3,056	-	3,056	-
Goulburn Valley Trades & Labour Council	140	-	140	-
North East Trades & Labour Council	640	-	640	-
South West Trades & Labour Council	309	-	309	-
Sunraysia Trades & Labour Council	386	-	386	-
Scholars at Risk	1,111	-	1,111	-
Council of Pacific Education	600	-	600	-
	<u>321,506</u>	<u>328,920</u>	<u>321,506</u>	<u>328,920</u>

## NTEU

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2015

	CONSOLIDATED		PARENT	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>NOTE 4(ii): DONATIONS</b>				
Total amount paid in donations that exceeded \$1,000	12,000	13,409	12,000	13,409
Total amount paid in donations that were \$1,000 or less	8,630	10,822	8,630	10,822
	<u>20,630</u>	<u>24,231</u>	<u>20,630</u>	<u>24,231</u>
<b>NOTE 5: EMPLOYEE BENEFITS</b>				
Wages and salaries	11,111,912	10,612,575	11,111,912	10,612,575
Superannuation	1,860,363	1,711,274	1,860,363	1,711,274
Leave and other entitlements	300,383	219,258	300,383	219,258
Separation and redundancies	-	-	-	-
Other employee expenses	985,022	829,280	985,022	829,280
	<u>14,257,680</u>	<u>13,372,387</u>	<u>14,257,680</u>	<u>13,372,387</u>
<b>NOTE 6: CASH AND CASH EQUIVALENTS</b>				
<b>Current</b>				
Cash on hand	953	951	953	951
Cash at bank	1,160,848	684,364	997,356	305,401
Short term deposits	201,405	650,000	201,405	650,000
	<u>1,363,206</u>	<u>1,335,315</u>	<u>1,199,714</u>	<u>956,352</u>
<b>NOTE 7: TRADE AND OTHER RECEIVABLES</b>				
<b>Current</b>				
Trade debtors	31,045	105,675	29,695	11,405
Provision for doubtful debts	-	-	-	-
Other receivables	5,184	373,558	5,184	9,031
Accrued income	503,527	309,720	503,527	309,720
	<u>539,756</u>	<u>788,953</u>	<u>538,406</u>	<u>330,156</u>
<b>Non Current</b>				
Group receivables	-	-	4,973,328	5,744,596
	-	-	4,973,328	5,744,596
Total trade and other receivables	<u>539,756</u>	<u>788,953</u>	<u>5,511,734</u>	<u>6,074,752</u>



**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	\$	\$	\$	\$
<b>NOTE 8: OTHER FINANCIAL ASSETS</b>				
<b>Current</b>				
Investments in managed funds	2,621,606	3,140,753	2,621,606	3,140,753
	<u>2,621,606</u>	<u>3,140,753</u>	<u>2,621,606</u>	<u>3,140,753</u>
<b>Non Current</b>				
Investments – at valuation:				
Federation of Education Union Unit Trust (F.E.U.)	-	-	4,282,176	4,085,442
Federation of Education Unions Pty Ltd (Trustee of F.E.U.)	-	-	2	2
	<u>-</u>	<u>-</u>	<u>4,282,178</u>	<u>4,085,444</u>
Total other financial assets	<u>2,621,606</u>	<u>3,140,753</u>	<u>6,903,784</u>	<u>7,226,197</u>

**NOTE 9: OTHER ASSETS**

<b>Current</b>				
Prepayments	356,668	261,348	323,674	193,632
	<u>356,668</u>	<u>261,348</u>	<u>323,674</u>	<u>193,632</u>

**NOTE 10: INVESTMENT PROPERTIES**

**(i) Book value disclosure**

Land and buildings - at Valuation	2,431,006	2,431,006	2,431,006	2,431,006
	<u>2,431,006</u>	<u>2,431,006</u>	<u>2,431,006</u>	<u>2,431,006</u>

The land and buildings were revalued at 30 June 2014 by Kris Cviker, Michael Schwarz and Hugh Bristow, all Certified Practising Valuer's.

Details of the Union's investment property and information about the fair value hierarchy as at 30 June 2015 are as follows:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	\$	\$	\$
Land and buildings	-	2,431,006	-
Total	<u>-</u>	<u>2,431,006</u>	<u>-</u>

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

Balance at beginning of period	2,431,006	2,551,918	2,431,006	2,551,918
Additions	-	-	-	-
Revaluation	-	(120,912)	-	(120,912)
Balance at end of period	<u>2,431,006</u>	<u>2,431,006</u>	<u>2,431,006</u>	<u>2,431,006</u>

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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

**(i) Book value disclosure**

<b>LAND AND BUILDINGS</b>	<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land – at Valuation	275,000	275,000	275,000	275,000
Buildings – at Valuation	18,203,991	18,203,991	3,103,993	3,103,993
Buildings – at Cost	1,992,161	1,992,161	1,992,161	1,992,161
Accumulated depreciation	<u>(2,029,853)</u>	<u>(1,518,301)</u>	<u>(142,355)</u>	<u>(8,301)</u>
	<u>18,441,299</u>	<u>18,952,851</u>	<u>5,228,799</u>	<u>5,362,853</u>

The land and buildings owned by the parent entity were revalued at 30 June 2014 by Kris Cviker, Michael Schwarz and Hugh Bristow, all Certified Practising Valuer's.

The buildings owned by the subsidiary were revalued by the NTEU Committee of Management at 30 June 2014 with no change in value since 30 June 2014.

**(a) Consolidated**

Details of the Union's land and buildings and information about the fair value hierarchy as at 30 June 2015 are as follows:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land	-	275,000	-
Buildings	-	18,203,991	-
Total	<u>-</u>	<u>18,478,991</u>	<u>-</u>

**(b) Parent**

Details of the Union's land and buildings and information about the fair value hierarchy as at 30 June 2015 are as follows:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land	-	275,000	-
Buildings	-	3,103,993	-
Total	<u>-</u>	<u>3,378,993</u>	<u>-</u>

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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

PLANT AND EQUIPMENT	CONSOLIDATED		PARENT	
	2015	2014	2015	2014
	\$	\$	\$	\$
Office equipment, fixtures & fittings - at cost	840,394	736,934	537,452	434,307
Accumulated depreciation	(567,585)	(463,130)	(344,353)	(250,468)
	<u>272,809</u>	<u>273,804</u>	<u>193,099</u>	<u>183,839</u>
Leasehold improvements - at cost	2,002,849	1,489,892	1,654,839	1,489,892
Accumulated depreciation	(978,865)	(811,332)	(974,690)	(811,332)
	<u>1,023,984</u>	<u>678,560</u>	<u>680,149</u>	<u>678,560</u>
Motor Vehicles - at cost	105,373	105,373	105,373	105,373
Accumulated depreciation	(105,373)	(102,357)	(105,373)	(102,357)
	<u>-</u>	<u>3,016</u>	<u>-</u>	<u>3,016</u>
Work in progress	49,202	150,335	49,202	150,335
Net book value	<u>19,787,294</u>	<u>20,058,566</u>	<u>6,151,249</u>	<u>6,378,603</u>

**Valuation basis**

*Non-specialised land, non-specialised buildings*

Non-specialised land and non-specialised buildings are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by Kris Cviker, Michael Schwarz and Hugh Bristow, all Certified Practising Valuers to determine the fair value using the market based direct comparison method. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2014.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market based direct comparison approach.

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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

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

**CONSOLIDATED**

	Land	Buildings	Office equipment fixtures & fittings	Leasehold improvements	Motor Vehicles	Total
<b>2015</b>						
Balance at beginning of period	275,000	18,677,851	273,804	678,560	3,016	19,908,231
Additions	-	-	135,141	512,957	-	648,098
Disposals	-	-	(836)	-	-	(836)
Revaluation	-	-	-	-	-	-
Depreciation	-	(511,552)	(135,300)	(167,533)	(3,016)	(817,401)
Reclassification	-	-	-	-	-	-
Balance at end of period	275,000	18,166,299	272,809	1,023,984	-	19,738,092
<b>2014</b>						
Balance at beginning of period	-	17,108,881	231,594	630,124	16,852	17,987,451
Additions	-	1,992,161	150,240	280,006	-	2,422,407
Disposals	-	-	-	(78,276)	-	(78,276)
Revaluation	-	323,960	-	-	-	323,960
Depreciation	-	(472,151)	(108,030)	(153,294)	(13,836)	(747,311)
Reclassification	275,000	(275,000)	-	-	-	-
Balance at end of period	275,000	18,677,851	273,804	678,560	3,016	19,908,231

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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

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

**PARENT**

	Land	Buildings	Office equipment fixtures & fittings	Leasehold improvements	Motor Vehicles	Total
<b>2015</b>						
Balance at beginning of period	275,000	5,087,853	183,839	678,560	3,016	6,228,268
Additions	-	-	124,687	164,948	-	289,635
Disposals	-	-	(836)	-	-	(836)
Revaluation	-	-	-	-	-	-
Depreciation	-	(134,054)	(114,591)	(163,359)	(3,016)	(415,020)
Reclassification	-	-	-	-	-	-
Balance at end of period	275,000	4,953,799	193,099	680,149	-	6,102,047
<b>2014</b>						
Balance at beginning of period	-	3,141,383	122,652	630,124	16,852	3,911,011
Additions	-	1,992,161	143,731	280,006	-	2,415,898
Disposals	-	-	-	(78,276)	-	(78,276)
Revaluation	-	323,960	-	-	-	323,960
Depreciation	-	(94,651)	(82,544)	(153,294)	(13,836)	(344,325)
Reclassification	275,000	(275,000)	-	-	-	-
Balance at end of period	275,000	5,087,853	183,839	678,560	3,016	6,228,268

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NOTE 12: TRADE AND OTHER PAYABLES</b>				
<b>Current</b>				
Trade creditors and accruals	298,886	1,026,340	187,145	849,093
Payables - legal and litigation costs	5,220	9,937	5,220	9,937
Employer payroll deductions of membership subscriptions	-	-	-	-
Net GST payable	129,167	48,994	129,167	48,994
Sundry creditors	-	-	-	-
Payable to unit holders	3,470,353	4,008,536	-	-
Group loans	-	-	104,293	771,179
	<u>3,903,626</u>	<u>5,093,807</u>	<u>425,825</u>	<u>1,679,203</u>
<b>NOTE 13: PROVISIONS</b>				
<b>Current</b>				
<i>Current provisions expected to be settled within 12 months</i>				
Annual leave - for employees	745,084	708,534	745,084	708,534
Annual leave - for office holders	165,073	133,258	165,073	133,258
Long service leave - for employees	68,427	63,875	68,427	63,875
Long service leave - for officeholders	13,592	11,143	13,592	11,143
Separation and redundancies	-	-	-	-
Other employee provisions	-	-	-	-
	<u>992,176</u>	<u>916,810</u>	<u>992,176</u>	<u>916,810</u>
<i>Current provisions expected to be settled after 12 months</i>				
Annual leave - for employees	437,589	413,684	437,589	413,684
Annual leave - for office holders	96,947	77,804	96,947	77,804
Long service leave - for employees	1,642,255	1,532,991	1,642,255	1,532,991
Long service leave - for officeholders	326,207	267,438	326,207	267,438
Separation and redundancies	-	-	-	-
Other employee provisions	-	-	-	-
	<u>2,502,998</u>	<u>2,291,917</u>	<u>2,502,998</u>	<u>2,291,917</u>
	<u>3,495,174</u>	<u>3,208,727</u>	<u>3,495,174</u>	<u>3,208,727</u>
<b>Non current</b>				
Long service leave- for employees	466,944	392,940	466,944	392,940
Long service leave- for officeholders	114,640	126,809	114,640	126,809
	<u>581,584</u>	<u>519,749</u>	<u>581,584</u>	<u>519,749</u>
Total provisions	<u>4,076,758</u>	<u>3,728,476</u>	<u>4,076,758</u>	<u>3,728,476</u>

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NOTE 14: RESERVES</b>				
Defence reserve	4,712,228	4,036,082	4,712,228	4,036,082
Leave reserve	3,273,332	3,021,755	3,273,332	3,021,755
Property reserve	5,000,000	5,000,000	5,000,000	5,000,000
Asset revaluation reserve	455,462	455,462	455,462	455,462
	<u>13,441,022</u>	<u>12,513,299</u>	<u>13,441,022</u>	<u>12,513,299</u>
<b>Movements during the year</b>				
<i>Defence reserve</i>				
Balance at beginning of year	4,036,082	4,268,527	4,036,082	4,268,527
Transfer to retained surplus	-	(232,445)	-	(232,445)
Transfer from retained surplus	676,146	-	676,146	-
Balance at end of year	<u>4,712,228</u>	<u>4,036,082</u>	<u>4,712,228</u>	<u>4,036,082</u>
<i>Leave reserve</i>				
Balance at beginning of year	3,021,755	2,801,658	3,021,755	2,801,658
Transfer to retained surplus	-	-	-	-
Transfer from retained surplus	251,577	220,097	251,577	220,097
Balance at end of year	<u>3,273,332</u>	<u>3,021,755</u>	<u>3,273,332</u>	<u>3,021,755</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	455,462	131,502	455,462	131,502
Decrease in reserve	-	-	-	-
Increase in reserve	-	323,960	-	323,960
Balance at end of year	<u>455,462</u>	<u>455,462</u>	<u>455,462</u>	<u>455,462</u>
<b>NOTE 15: RETAINED EARNINGS</b>				
Retained surplus at beginning of the financial year	4,450,173	5,383,065	5,339,564	6,050,108
Net operating surplus/ (deficit) for the year	(211,785)	(1,100,392)	165,715	(722,892)
Transfer (to) and from reserves:				
Defence reserve	(676,146)	232,445	(676,146)	232,445
Leave reserve	(251,577)	(220,097)	(251,577)	(220,097)
Transfer to non-controlling interest	155,152	155,152	-	-
Retained surplus at the end of the financial year	<u>3,465,817</u>	<u>4,450,173</u>	<u>4,577,556</u>	<u>5,339,564</u>

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NOTE 16: CASH FLOW INFORMATION</b>				
<b>Reconciliation of net operating result to net cash flows from operating activities:</b>				
Net operating result	(211,785)	(776,432)	165,715	(398,932)
Non-cash flows in operating activities:				
Depreciation and amortisation	817,403	747,909	415,020	344,923
Assets written off	-	78,276	-	78,276
Change in net market value of property plant & equipment	-	(323,960)	-	(323,960)
Change in net market value of investment properties	-	120,912	-	120,912
Change in net market value of investments	(97,623)	(201,370)	(97,623)	(201,370)
Changes in assets and liabilities:				
Decrease/(increase) in receivables	249,197	178,240	563,018	(46,379)
Decrease/(increase) in other assets	(95,320)	(34,744)	(130,042)	4,657
(Decrease)/increase in payables	(1,190,181)	80,998	(1,253,378)	31,005
(Decrease)/increase in employee provisions	348,282	286,046	348,282	286,046
Net cash flows from operating activities	<u>(180,027)</u>	<u>155,875</u>	<u>(10,992)</u>	<u>(104,822)</u>
			<b>2015</b>	<b>2014</b>
<b>Cash flow information from controlled entities:</b>			<b>\$</b>	<b>\$</b>
Federation of Education Unions Trust				
Net cash inflows / (outflows) from activities			(215,471)	254,188

**NOTE 17: 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	Stephen Darwin	Gabrielle Gooding	Grahame McCulloch
Matthew McGowan	Ryan Hsu	Colin Long	John Kenny
Lolita Wikander	Lynda Davies	Margaret Lee	Kelvin Michael
Kevin Rouse	Michael McNally	John Sinclair	Genevieve Kelly
Andrew Bonnell	Stuart Bunt	John Fitzsimmons	Virginia Mansel Lees
Terry Mason	Melissa Slee	Carolyn Cope	Michael Thomson
Rachael Bahl	Kelvin Michael	Ronald Slee	Cathy Rytmeister
Anne Price			



**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**NOTE 17: RELATED PARTY INFORMATION (continued)**

**(a) Executive Officers (continued)**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Remuneration of Salaried Elected Officers</b>		
Income due to or receivable by Salaried Elected Officers of the Union.		
Wages and salaries	1,408,240	1,279,037
Superannuation	236,479	215,115
Leave and other entitlements	46,797	66,788
Separation and redundancies	-	-
Other employee expenses	-	88,071
	<u>1,691,516</u>	<u>1,649,011</u>

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

Michael McNally	Genevieve Kelly	Colin Long	Rachael Bahl
Kevin Rouse	Gabrielle Gooding	Grahame McCulloch	Matthew McGowan
Jeannie Rea	Stephen Darwin	Margaret Lee	

**Individual Remuneration of Salaried Elected Officers**

	<b>Wages and salaries</b>	<b>Superannuation</b>	<b>Leave/other entitlements</b>	<b>Total</b>
G McCulloch	223,405	37,714	-	261,119
J Rea	189,136	31,888	-	221,024
M McGowan	168,294	28,345	-	196,639
S Darwin	72,909	12,129	7,001	92,039
G Kelly	143,857	24,190	-	168,047
K Rouse	143,404	24,113	-	167,517
M Lee	44,956	7,396	39,796	92,148
C Long	132,911	22,330	-	155,241
G Gooding	138,873	23,343	-	162,216
M McNally	126,743	20,993	-	147,736
R Bahl	23,752	4,038	-	27,790
	<u>1,408,240</u>	<u>236,479</u>	<u>46,797</u>	<u>1,691,516</u>

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 2015 are:

President	\$184,507	(112.5% of Level E)
General Secretary	\$217,507	(112.5% of Level E + \$33K work value/responsibility loading)
National Assistant Secretary	\$164,006	(100% of Level E)
Division Secretaries	\$140,319	(100% of Level D)

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**NOTE 17: 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 \$358,810 (2014: \$392,920) 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>2015</b>	<b>2014</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		\$4,973,328	\$5,744,596
Net amount receivable by the F.E.U. from NTEU		\$104,293	\$771,179

**NOTE 18: COMMITMENTS**

<b>Operating lease commitments</b>	<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Future operating lease rentals of plant and equipment not provided for in the financial statements and payable:				
Not later than one year	278,940	373,616	278,940	373,616
Later than one year but not later than five years	116,225	150,330	116,225	511,551
Later than five years	-	-	-	-
	<u>395,165</u>	<u>523,946</u>	<u>395,165</u>	<u>523,946</u>

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**NOTE 19: 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) Consolidated**

<b>Financial assets</b>	<b>Note</b>	<b>Category</b>	<b>Carrying amount 2015</b>	<b>Carrying amount 2014</b>
Cash and cash equivalents	6	N/A	1,363,206	1,335,315
Receivables	7	Loans and receivables	539,756	788,953
Investments	8	Fair value through profit or loss	2,621,606	3,140,753
<b>Financial liabilities</b>				
Payables	12	Financial liabilities	3,774,459	5,044,813

**(ii) Parent**

<b>Financial assets</b>	<b>Note</b>	<b>Category</b>	<b>Carrying amount 2015</b>	<b>Carrying amount 2014</b>
Cash and cash equivalents	6	N/A	1,199,714	956,352
Receivables	7	Loans and receivables	5,511,734	6,074,752
Investments	8	Fair value through profit or loss	6,903,784	7,226,197
<b>Financial liabilities</b>				
Payables	12	Financial liabilities	296,658	1,630,209

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

**(c) Financial risk management objectives**

The Union's activities do not expose it to many financial risks, with only liquidity risk being needed to be actively managed.

**Market Risk**

*Foreign currency risk*

The Union is not exposed to any significant foreign currency risk.

*Price risk*

The Union is not exposed to any significant price risk.

*Interest rate risk*

The Union is not exposed to any significant interest rate risk.

**Credit risk**

The Union is not exposed to any significant credit risk.

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**NOTE 19: FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)**

**Liquidity risk**

Vigilant liquidity risk management requires the Union to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Union manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

<b>Maturity analysis of financial liabilities</b>							
<b>(i) Consolidated</b>							
	<i>Weighted average interest rate %</i>	<i>Maturity dates</i>					<i>Remaining contractual maturities</i>
		<i>1 year or less</i>	<i>Between 1 and 2 years</i>	<i>Between 2 and 5 years</i>	<i>Over 5 years</i>		
<b>2015</b>							
Payables	0%	3,774,459	-	-	-	-	
		3,774,459	-	-	-	-	
<b>2014</b>							
Payables	0%	5,044,813	-	-	-	-	
		5,044,813	-	-	-	-	
<b>(i) Parent</b>							
	<i>Weighted average interest rate %</i>	<i>Maturity dates</i>					<i>Remaining contractual maturities</i>
		<i>1 year or less</i>	<i>Between 1 and 2 years</i>	<i>Between 2 and 5 years</i>	<i>Over 5 years</i>		
<b>2015</b>							
Payables	0%	296,658	-	-	-	-	
		296,658	-	-	-	-	
<b>2014</b>							
Payables	0%	1,630,209	-	-	-	-	
		1,630,209	-	-	-	-	

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

**Fair value of financial instruments**

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value

**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.

**NTEU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NOTE 20: AUDITOR'S REMUNERATION</b>				
<i>Audit services</i>				
Auditors to the Union	55,000	27,500	55,000	27,500
<i>Other services</i>				
Auditors to the Union	12,250	12,250	12,250	12,250
	<u>67,250</u>	<u>39,750</u>	<u>67,250</u>	<u>39,750</u>
 <i>Audit Services</i>				
Auditors of subsidiary	8,250	6,750	-	-
<i>Other services</i>				
Auditors of subsidiary	-	-	-	-
	<u>8,250</u>	<u>6,750</u>	<u>-</u>	<u>-</u>

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

No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the Union's operations, the results of those operations, or the Union's state of affairs in future financial years.

**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 2015. 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.

## 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 Kidsons Partnership*

DFK Kidsons Partnership

*Robert Wernli*

Robert Wernli  
Partner

Melbourne  
Date: 20<sup>th</sup> November 2015