



Australian Government
Australian Industrial Registry

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80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7993
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Mr. G. McCulloch
General Secretary
National Tertiary Education Industry Union
National Office
First Floor, 120 Clarendon Street
SOUTH MELBOURNE VIC 3205

Dear Mr. McCulloch,

**Re: Schedule 1B of the Workplace Relations Act (the RAO Schedule)
Financial reports for year ended 30 June 2004 - FR2004/467**

I refer to the financial documents of the National Tertiary Education Industry for the year ended 30 June 2004 which were lodged in the Industrial Registry on 23 December 2004.

I also refer to our letter of 20 March 2005 in which we advised that the financial documents appear to have been prepared under the provision of Division 11 of the Workplace Relations Act 1996 rather than under the Workplace Relations (Registration and Accountability of Organisations) legislation.

A re-examination of the abovementioned documents shows substantial compliance with the RAO legislation. Therefore, the financial documents have now been filed.

Although the abovementioned financial documents have now been filed I make the following comments for your assistance when preparing future financial returns. No further action is required in relation to the subject documents.

Operating Report

The financial documents lodged did not contain an operating report. The Committee of Management must as soon as practicable after the end of each financial year cause an operating report to be prepared in relation to the financial year - refer s254 of the RAO Schedule.

Accounting Officer's Certificate

There is no requirement under Schedule 1B to lodge an Accounting Officer's certificate. Such certificate was previously required by the former provisions of the Act and Workplace Relations Regulations.

Executive Committee's Statement

(a) There appears to be no information in the statement addressing Item 17(e)(iv) of the Industrial Registrar's Reporting Guidelines. This item relates to the keeping of financial records in a consistent

manner to each of the other reporting units of the organisation.

(b) Date of resolution

Item 18 of the Registrar's Reporting Guidelines requires the Committee of Management's statement to specify the date of passage of the resolution made by the Committee. While the statement provides that the appropriate resolution was passed, no date is evident.

(c) Signatory

Please note that under reporting Guideline 18(d) for the purposes of s253 this Statement need only be signed by a designated officer.

I note that a concise report of the financial reports was published in the organisation's journal. I draw your attention to the provisions of section 265(3) of Schedule 1B, regulation 161 of the RAO regulations and also Registration and Accountability of Organisations Legislation Fact Sheet 7. Future financial reports containing a concise report should be in accordance with the above requirements.

Finally, I note page 9 of the financial report lodged is missing. For the sake of completeness of our records could you please forward a copy of the missing page to this office as soon as practicable.

Should you wish to discuss any of the matters raised in this letter, I can be contacted on (03) 8661 7787 (Mon - Thurs) or by e-mail at iain.stewart@air.gov.au.

Yours sincerely,



Iain Stewart
Statutory Services Branch

14 June 2005



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9654 6672

Mr Grahame McCulloch
General Secretary
National Tertiary Education Industry Union
National Office
First Floor, 120 Clarendon Street
SOUTH MELBOURNE VIC 3205

Dear Mr McCulloch,

**RE: Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule)
Financial reports for year ended 30 June 2004 - FR2004/467**

I acknowledge receipt of the financial reports of the National Tertiary Education Industry Union - National Office for the year ended 30 June 2004. The documents were lodged in the Industrial Registry on 23 December 2004.

I advise the documents enclosed appear to have been prepared under the provisions of Division 11 of the Workplace Relations Act 1996. As you would be aware, the Workplace Relations (Registration and Accountability of Organisations) legislation came into operation on 12 May 2003. The accounts for the period covered by the abovementioned documents should have been prepared in accordance with the relevant provisions of Schedule 1B of the Act (the RAO Schedule), the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003 and the Reporting Guidelines issued by the Industrial Registrar. Each of these documents may be accessed on the Commission's website at www.airc.gov.au. You will also find various fact sheets on the new legislative requirements imposed on organisations, branches and reporting entities, including one on financial reporting http://www.airc.gov.au/fact_sheets/factsheets.html.

I suggest that you contact me when you have had an opportunity to study the relevant legislation, regulations and guidelines so we may discuss what the organisations will need to do to discharge its financial reporting obligations under the Act. You can contact myself on (03) 8661 7764 or Iain Stewart on (03) 8661 7787.

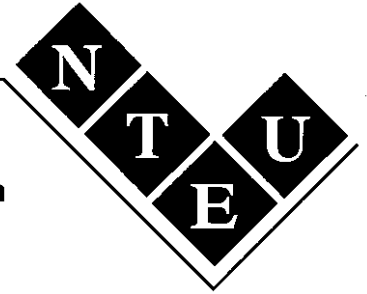
Yours sincerely,

A handwritten signature in black ink, appearing to read 'Dimitra Doukas'.

Dimitra Doukas
Statutory Services Branch

20 March 2005

**National
Tertiary
Education
Industry
Union**



NATIONAL OFFICE

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PO Box 1323, South Melbourne 3205
Tel: (03) 9254 1910 Fax: (03) 9254 1915
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File: 30/40/67

21 December 2004

Larry Powell
Statutory Services Branch
Australian Industrial Registry
GPO Box 1994S
MELBOURNE 3001

Dear Larry,

Re: Reporting of NTEU Financial Statement for 2003-2004 Financial Year

I write in relation to our letter to you dated 15 November 2004 regarding an extension of time in submitting our financial statements for the 2003-2004 financial year.

Please find enclosed the NTEU Financial Statements for the 2003-2004 financial year as requested.

Yours sincerely,

GRAHAME MCCULLOCH
General Secretary

Encl.



Ref: 30/40/073

21 December 2004

Australian Industrial Registry
GPO Box 1994S
MELBOURNE 3001

National Tertiary Education Industry Union Financial Statements for 2003-2004

Secretary's Certificate

I, Grahame McCulloch, General Secretary of the National Tertiary Education Industry Union (NTEU), certify that:

1. In accordance with a resolution of the managing committee adopted on 27 September 2004, a summary of the audited financial statements and Auditor's Report for the financial year 2003-2004, both authorised by the Auditor, was issued to all members of the NTEU free of charge, in the NTEU journal, the *Advocate*, in November 2004.
2. The enclosed documents include a copy of the *Advocate* and the summary and full financial statements for the financial year ending 2004. These were presented to a meeting of the Committee of Management on 16 December 2004. Members of the NTEU were informed of their right to examine the full report.
3. The information contained in the accounts, statements and reports is correct.

Signed: 

21 December 2004

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

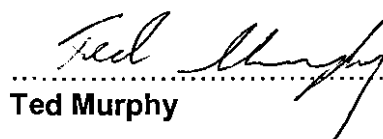
EXECUTIVE COMMITTEE'S CERTIFICATE

FOR THE YEAR ENDED 30 JUNE 2004

We, being two members of the National Executive of the National Tertiary Education Industry Union, do state on behalf of the Executive and in accordance with a resolution passed by the Executive, that:

1. In the opinion of the Executive, the attached financial statements show a true and fair view of the financial affairs of the Union as at 30 June 2004.
2. In the opinion of the Executive, meetings of the Executive were held during the period 1 July 2003 to 30 June 2004 in accordance with rules of the Union.
3. To the knowledge of any member of the Committee, there have been no instances where records of the Union or other documents (not being documents containing information made available to a member of the organisation under subsection 274(2) of the Act) or copies of those records or other documents, or copies of the Constitution of the Union, have not been furnished, or made available to members of the organisation in accordance with the Act or Regulations of the Constitution.
4. The accounts were prepared in accordance with subsection 273(1) of the Act and the Union has complied with subsection 279(1) and (6) of the Act.


Grahame McCulloch


Ted Murphy

16 December 2004
at Melbourne

***NATIONAL TERTIARY
EDUCATION INDUSTRY UNION***

Financial Statements for the year ended

30 JUNE 2004

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2003

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NATIONAL TERTIARY EDUCATION INDUSTRY UNION

STATUTORY STATEMENT

FOR THE YEAR ENDED 30 JUNE 2004

ACCOUNTING OFFICER'S CERTIFICATE

I, Grahame McCulloch, being the officer for keeping the accounting records of the National Tertiary Education Industry Union, certify that as at 30 June 2004 the number of members of the Union was twenty five thousand five hundred and forty seven academic and general staff.

In my opinion,

1. The attached financial statements show a true and fair view of the financial affairs of the Union as at 30 June 2004.
2. A record has been kept of all monies paid by, or collected from, members and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the Rules of the Union.
3. Before any expenditure was incurred by the Union, approval of the incurring of the expenditure was obtained in accordance with the Rules of the Union.
4. With regard to funds of the Union raised by compulsory levies or voluntary contributions from members or funds other than the National Fund operated in accordance with the Rules, no payments were made out of such fund for purposes other than those for which the fund was operated.
5. All loans or other financial benefits granted to persons holding office in the Union were authorised in accordance with the Rules.
6. The register of members of the Union was maintained in accordance with the Act.



Grahame McCulloch

27 September 2004
at Melbourne

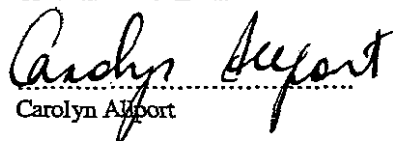
NATIONAL TERTIARY EDUCATION INDUSTRY UNION**EXECUTIVE COMMITTEE'S STATEMENT****FOR THE YEAR ENDED 30 JUNE 2004**

We, being two members of the National Executive of the National Tertiary Education Industry Union, do declare on behalf of the Executive and in accordance with a resolution passed by the Executive, that in the opinion of the Executive:

1. The financial statements and notes comply with the Australian Accounting Standards;
2. The financial statements comply with the reporting guidelines of the Industrial Registrar;
3. The financial statements and notes give a true and fair view of the financial performance, financial position and cashflows of the Union for the financial year to which they relate;
4. There are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
5. During the year ended 30 June 2004 and since the end of that year:
 - i. Meetings of the Union were held in accordance with the rules of the National Tertiary Education Industry Union; and
 - ii. The financial affairs of the Union have been managed in accordance with the rules of the National Tertiary Education Industry Union; and
 - iii. The financial records of the Union have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - iv. The information sought in any request of a member of the Union or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - v. There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.



Grahame McCulloch



Carolyn Alport

27 September 2004
at Melbourne

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2004

	NOTE	2004 \$	2003 \$
Revenue from ordinary activities:	2	<u>5,511,248</u>	<u>5,001,732</u>
Expenses from ordinary activities:			
Officers and central resources:			
Central operating costs & resources		1,422,521	1,486,739
Publications		129,930	103,019
Executive and national council		827,038	605,844
Co-operation with other organisations		137,340	132,475
Industrial		709,487	696,884
Policy and research		518,417	413,379
Recruitment and membership training		376,689	358,613
Finance and personnel		256,119	296,208
Decrease in net market value of investments		-	43,091
Other expenses	3	<u>74,016</u>	<u>208,097</u>
Total expenses from ordinary activities		<u>4,451,557</u>	<u>4,344,349</u>
Net operating surplus		<u>1,059,691</u>	<u>657,383</u>
Total change in equity		<u>1,059,691</u>	<u>657,383</u>

The accompanying notes form part of these financial statements.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2004

	NOTE	2004 \$	2003 \$
CURRENT ASSETS			
Cash assets	4	1,282,603	1,483,063
Receivables	5	1,131,463	812,069
Other financial assets	6	2,212,947	1,184,479
Other	7	<u>78,222</u>	<u>12,847</u>
TOTAL CURRENT ASSETS		<u>4,705,235</u>	<u>3,492,458</u>
NON CURRENT ASSETS			
Other financial assets	6	1,540,745	1,523,823
Property, plant & equipment	8	<u>135,492</u>	<u>125,322</u>
TOTAL NON CURRENT ASSETS		<u>1,676,237</u>	<u>1,649,145</u>
TOTAL ASSETS		<u>6,381,472</u>	<u>5,141,603</u>
CURRENT LIABILITIES			
Payables	9	622,823	468,637
Provisions	10	<u>160,447</u>	<u>157,829</u>
TOTAL CURRENT LIABILITIES		<u>783,270</u>	<u>626,466</u>
NON CURRENT LIABILITIES			
Provisions	10	<u>320,730</u>	<u>297,356</u>
TOTAL NON CURRENT LIABILITIES		<u>320,730</u>	<u>297,356</u>
TOTAL LIABILITIES		<u>1,104,000</u>	<u>923,822</u>
NET ASSETS		<u>5,277,472</u>	<u>4,217,781</u>
EQUITY			
Reserves	11	3,615,857	2,593,578
Accumulated surplus	12	<u>1,661,614</u>	<u>1,624,203</u>
TOTAL EQUITY		<u>5,277,472</u>	<u>4,217,781</u>

The accompanying notes form part of these financial statements.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
Cash flows from operating activities			
Receipts			
Capitation fees		5,313,662	5,108,709
Interest received		65,167	42,132
Rent received		127,372	172,838
Dividends received		99,067	23,674
Director fees received		38,750	44,250
		<u>5,644,018</u>	<u>5,391,603</u>
Payments			
Cash payments in the course of operations		(4,537,333)	(4,591,119)
Net GST paid to Australian Taxation Office		(290,165)	(76,175)
		<u>(4,827,498)</u>	<u>(4,667,294)</u>
Net cash flows from operating activities	13	<u>816,520</u>	<u>724,309</u>
Cash flows from investing activities			
Payments for investments in managed funds		(968,536)	(45,102)
Payments for property, plant and equipment		(48,444)	(63,512)
		<u>(1,016,980)</u>	<u>(108,614)</u>
Net cash flow used in investing activities		<u>(1,016,980)</u>	<u>(108,614)</u>
Net increase/(decrease) in cash held		(200,460)	615,695
Cash at the beginning of the financial year		<u>1,483,063</u>	<u>867,368</u>
Cash at the end of the financial year	4	<u>1,282,603</u>	<u>1,483,063</u>

The accompanying notes form part of these financial statements.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2004****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are a general purpose financial report prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views and the requirements of the Workplace Relations Act 1996.

(a) Basis of Accounting

The financial statements have been prepared on the basis of historical costs and do not take into account changing money values or current valuations of non-current assets. The accounting policies are consistently applied.

(b) Consolidation

The financial statements reflect the results of operations and state of affairs of the National Level of the National Tertiary Education Industry Union. There has been no consolidation performed of individual State Divisions and Branches, as the Rules of the Union establish autonomy for each Division and Branch in respect of operating policies and decision-making. Accordingly, the criteria for consolidation as set out in Accounting Standard AAS 24 "Consolidated Financial Reports" has not been met.

(c) Revenue Recognition**(i) National Fee**

National fee revenue represents the National Office percentage of contributions made by Union members. The National fee revenue is recognised in the period in which the member has made their Union contribution.

(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) Property, Plant & Equipment

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

(e) Leased Assets

The union has not entered into any lease agreements.

(f) Allowance for Doubtful Debts

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

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

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

(g) Employee Benefits

(i) Wages and Salaries and Annual Leave

Liabilities for wages and salaries and annual leave are recognised, and are measured, as the amount unpaid at the reporting date at current pay rates in respect of employee's services up to the balance date. The provision has been calculated at nominal amounts based on current wage and salary rates and includes related on-costs.

(ii) Long Service Leave

The liability for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date.

Liabilities for employee entitlements, which are not expected to be settled within 12 months, are discounted using the rates attaching to national government securities at balance date, which most closely match the terms of maturity of the related liabilities.

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

(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.

(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.

(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.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2004****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D...)****(l) Financial Instruments****Financial Assets****Bank Deposits on Call (Note 4)**

Bank Deposits on Call are valued at cost. Interest is recognised as it accrues. Total weighted average interest rate at balance date was 5.3% (2003: 4.2%)

Receivables (Note 5)

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

Current Investments (Note 6)

Current Investments comprise units in listed trusts at market bid price. Total weighted average interest rate at balance date was 4.6% (2003: 4.3%)

Financial Liabilities**Payables (Note 9)**

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

(m) Adoption of Australian Equivalents to International Financial Reporting Standards

As from 1 July 2005, the Australian Accounting Standards that apply to the preparation of this financial report will cease and the financial reporting requirements of the Australian equivalents to International Financial Reporting Standards (IFRSs) will become operative. The Union will apply these new Standards when preparing its financial report for the year ending 30 June 2006. That report will also include IFRS based comparative information for the financial year ended 30 June 2005. The development of this comparative information requires the establishment of opening balances for the financial year commencing 1 July 2004 based on the new IFRS equivalent Australian Accounting Standards. The AASB (Australian Accounting Standard Board) released the AASB equivalents of the IFRS Standards on 22 July 2004.

The Union's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation. To date, no material changes to current accounting policies have been identified. However, assessments are still in progress and will continue throughout 2004-2005 financial year. All changes to accounting policies will apply from 1 July 2004 in the determination of the opening balances required under Accounting Standard AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards."

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$
4. CASH ASSETS		
Cash on hand	400	400
Cash at bank	456,899	418,872
Short term deposits	825,304	1,063,791
	<u>1,282,603</u>	<u>1,483,063</u>
5. RECEIVABLES		
Capitation fees in arrears	638,718	469,576
Trade debtors	617,745	467,493
Allowance for doubtful debts	(125,000)	(125,000)
	<u>1,131,463</u>	<u>812,069</u>
6. OTHER FINANCIAL ASSETS		
Current		
Investments in managed funds	2,212,947	1,184,479
Non Current		
Shares in International Bookshop Co-operative Limited – at cost	1,000	1,000
Investment in unit trust – at cost:		
Federation of Education Union Unit Trust (F.E.U.)	1,539,744	1,522,822
Federation of Education Unions Pty Ltd (Trustee of F.E.U.)	1	1
	<u>1,539,745</u>	<u>1,522,823</u>
	<u>1,540,745</u>	<u>1,523,823</u>
<p>The Investment in the F.E.U. consists of 38% of the value of issued units in the Unit Trust that owns the land and buildings at 120 Clarendon St., South Melbourne.</p>		
7. OTHER		
Prepayments	78,222	12,847

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003		
	\$	\$		
8. PROPERTY, PLANT & EQUIPMENT				
(i) Book value disclosure				
Office equipment, fixtures & fittings - at cost	562,917	531,386		
Accumulated depreciation	<u>(496,920)</u>	<u>(472,830)</u>		
	65,997	58,556		
Leasehold improvements - at cost	306,562	306,562		
Accumulated amortisation	<u>(253,980)</u>	<u>(239,796)</u>		
	52,582	66,766		
Capital works in progress	16,913	-		
Net book value	<u>135,492</u>	<u>125,322</u>		
(ii) Reconciliation of the carrying amount				
	Leasehold improvements	Office equipment fixtures & fittings	Capital Works in progress	Total
Balance at beginning of period	66,766	58,556	-	125,322
Additions	-	31,531	16,913	48,444
Disposals	-	-	-	-
Depreciation and amortisation	<u>14,184</u>	<u>24,090</u>	-	<u>38,274</u>
Balance at end of period	<u>52,582</u>	<u>65,997</u>	16,913	<u>135,492</u>
9. PAYABLES				
Trade creditors	238,338	166,957		
Net GST payable	58,625	69,217		
Sundry creditors	128,920	44,736		
Amount owed to F.E.U.	<u>196,940</u>	<u>187,727</u>		
	<u>622,823</u>	<u>468,637</u>		

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$
10. PROVISIONS		
Current		
Employee benefits: annual leave	<u>160,447</u>	<u>157,829</u>
Non Current		
Employee benefits: long service leave	<u>320,730</u>	<u>297,356</u>
11. RESERVES		
Industrial Defence	3,471,118	2,591,797
Public Action	<u>144,740</u>	<u>1,781</u>
	<u>3,615,858</u>	<u>2,593,578</u>
 Movements During the Year		
 <i>Industrial Defence</i>		
Balance at beginning of year	2,591,797	1,868,179
Transfer to accumulated surplus	-	(22,143)
Transfer from accumulated surplus	<u>879,321</u>	<u>745,761</u>
Balance at end of year	<u>3,471,118</u>	<u>2,591,797</u>
 <i>Public Action</i>		
Balance at beginning of year	1,781	1,781
Transfer to accumulated surplus	(37,041)	-
Transfer from accumulated surplus	<u>180,000</u>	<u>-</u>
Balance at end of year	<u>144,740</u>	<u>1,781</u>
 12. ACCUMULATED SURPLUS		
Accumulated surplus at the beginning of the financial year	1,624,203	1,690,438
Net operating surplus for the year	1,059,691	657,383
Transfer to and from reserves:		
Industrial Defence reserve	(879,321)	(723,618)
Public Action reserve	(142,959)	-
Accumulated surplus at the end of the financial year	<u>1,661,614</u>	<u>1,624,203</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

13. CASH FLOW INFORMATION	2004 \$	2003 \$
Reconciliation of net operating surplus to net cash flows from operating activities:		
Net operating surplus	1,059,691	657,383
Non-cash flows in operating activities:		
Depreciation	24,090	24,658
Amortisation	14,184	9,937
Doubtful debts	-	125,000
Provisions: annual leave	2,618	648
Provisions: long service leave	23,374	37,998
Change in net market value of investments	(59,932)	43,091
	<u>1,064,025</u>	<u>898,715</u>
Changes in assets and liabilities:		
(Increase) / Decrease in capitation fees in arrears	(169,142)	(14,077)
(Increase) / Decrease in trade debtors	(150,253)	(96,225)
(Increase) / Decrease in prepayments	(65,375)	28,922
(Increase) / Decrease in investment in F.E.U.	(16,921)	(109,347)
Increase / (Decrease) in trade and sundry creditors	164,778	14,258
Increase / (Decrease) in net GST payable	(10,592)	2,063
	<u>816,520</u>	<u>724,309</u>
Net cash flows from operating activities	<u>816,520</u>	<u>724,309</u>

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

14. RELATED PARTY INFORMATION

Executive Officers

The names of each person holding the position of Executive Officer of the National Tertiary Education Industry Union during the financial year are:

Carolyn Allport	Grahame McCulloch	Ted Murphy	Paul Reser
Lyn Bloom	Michael Thomson	Tracey Bunda	Tom Dunning
Andrew Brown	Alison Edwards	Chris Mumbulla	Brian Salter-Duke
Kim Draisma	Neil Mudford	Jeanette Pierce	Tom Stewart
Michael Venning	Carol Williams	Michael Zaar	Maureen Ah Sam

Remuneration of Executive Officers	2004	2003
	\$	\$
Income received or due and receivable by the Executive Officers of the Union	<u>339,516</u>	<u>315,318</u>

Other Related Parties

(i) State Divisions and Branches

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

The net of the amounts receivable from and amounts payable to the State Divisions and Branches at the end of the financial year are disclosed in Note 5 to the financial statements. The amounts receivable and payable are interest free.

(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 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.

The amount payable to the F.E.U. at the end of the financial year is disclosed in Note 6 to the financial statements. The amounts payable are interest free.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

15. FINANCIAL INSTRUMENTS

15.1 Terms, conditions and accounting policy

Recognised Financial Instruments	Note	Accounting Policy	Terms and Conditions
15.1.1. Financial Assets			
Bank Deposits on Call	4	Valued at cost. Interest recognised as it accrues.	The rate at balance date was 5.3%
Receivables	5	Receivables are carried at nominal amounts due less any allowance for doubtful debts. An allowance for doubtful debts is recognised when collection in full is no longer probable. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and interest free. Credit terms are usually up to 30 days.
Current Investments	6	Current investments comprise units in listed trusts. The net fair value is determined by valuing them at the current quoted market bid price	The rate at balance date was 4.6%
15.1.2. Financial Liabilities			
Payables	9	Liabilities are recognised for amounts to be paid in the future for goods received and services provided to the Company as at balance date whether or not invoices have been received.	General creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

15. FINANCIAL INSTRUMENTS (CONT'D...)

15.2. Interest Rate Risk

The Union's exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities at balance date are as follows:

	Note	Fixed Interest Rate \$	2004 Floating Interest Rate \$	Non Interest Bearing \$	Carrying Amount \$	Weighted Average Interest Rate %
Financial assets						
Receivables	5	-	-	1,131,463	1,131,463	-
Prepayments	7	-	-	78,222	78,222	-
Investments in managed funds	6	-	2,212,947	-	2,212,947	4.6%
Cash assets	4	-	1,282,603	-	1,282,603	5.3%
Total		-	3,495,550	1,209,685	4,705,235	
Financial liabilities						
Payables	9	-	-	622,823	622,823	-
Total		-	-	622,823	622,823	-

	Note	Fixed Interest Rate Maturing in 2003 \$	2003 Floating Interest Rate \$	Non Interest Bearing \$	Carrying Amount \$	Weighted Average Interest Rate %
Financial assets						
Receivables	5	-	-	812,069	812,069	-
Prepayments	7	-	-	12,846	12,846	-
Investments in managed funds	6	-	1,184,479	-	1,184,479	4.3%
Cash assets	4	-	1,483,063	-	1,483,063	4.2%
Total		-	2,667,542	824,915	3,492,457	
Financial liabilities						
Payables	9	-	-	468,637	468,637	-
Total		-	-	468,637	468,637	-

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

15. FINANCIAL INSTRUMENTS (CONT'D...)

15.3 Net Fair Value

The aggregate fair values of financial assets and liabilities as at balance date are as follows:

2004			
	Note	Total Carrying Amount as per Statement of Financial Position \$	Aggregate Net Fair Value \$
Financial Assets			
Receivables	5	1,131,463	1,131,463
Prepayments	7	78,222	78,222
Investments in Managed Funds	6		
		2,212,947	2,212,947
Cash assets	4	1,282,603	1,282,603
Total Financial Assets		4,705,235	4,705,235
Financial Liabilities			
Payables	9	622,823	622,823
Total Financial Liabilities		622,823	622,823
2003			
	Note	Total Carrying Amount as per Statement of Financial Position \$	Aggregate Net Fair Value \$
Financial Assets			
Receivables	5	812,069	812,069
Prepayments	7	12,846	12,846
Investments in Managed Funds	6	1,184,479	1,184,479
Cash assets	4	1,483,063	1,483,063
Total Financial Assets		3,492,457	3,492,457
Financial Liabilities			
Payables	9	468,637	468,637
Total Financial Liabilities		468,637	468,637

The following methods and assumptions are used to determine the net fair value of financial assets and liabilities:

Payables, Cash and Receivables: The carrying amount approximated fair value because of their short-term maturity.

NATIONAL TERTIARY EDUCATION INDUSTRY UNION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2004****16. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provision of subsections (1), (2) and (3) of section 272 of Schedule 1B – Registration of accountability of Organisations which read as follows:

- (1) “A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the matter in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).”

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

Scope

The financial report and Executive Committee's responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the Executive Committee's statement of the National Tertiary Education Industry Union for the year ended 30 June 2004.

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

Audit approach

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

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

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

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

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

Independence

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

Audit Opinion

In our opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional requirements in Australia and Workplace Relations Act 1996 the financial position of the National Tertiary Education Industry Union as at 30 June 2004, and its financial performance and its cash flows for the year then ended.

Avenir
Chartered Accountants

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

Melbourne
27 September 2004

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION
SUMMARY OF FINANCIAL STATEMENTS
for the year ended 30 June 2004**

Information to be Provided to Members or Registrar

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provision of subsections (1), (2) and (3) of section 272 of Schedule 1B - Registration of accountability of Organisations which read as follows:

- (1) "A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the matter in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1)."

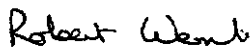
Financial Statements

The Union will provide a copy of the report, accounts and statements for the year ended 30 June 2004 free of charge to any member who requests them.

Auditors' Report to the Members of the National Tertiary Education Industry Union National Council

We certify that the above summary is a fair and accurate summary of the reports, accounts and statements of the National Tertiary Education Industry Union National Council for the year ended 30 June 2004. Our Auditors' Report on the financial statements dated 27 September 2004, did not contain particulars of any deficiency, failure or shortcomings as referred to in the Workplace Relations Act 1996.

Aveuir, Chartered Accountants



Robert Wernli, A.C.A., Partner. Registered Company Auditor, Registration Number: 16278
Melbourne, 27 September 2004

**NATIONAL TERTIARY EDUCATION INDUSTRY UNION
Statutory Statement for the year ended 30 June 2004
ACCOUNTING OFFICER'S CERTIFICATE**

I, Grahame McCulloch, being the officer for keeping the accounting records of the National Tertiary Education Industry Union, certify that as at 30 June 2004 the number of members of the Union was twenty five thousand five hundred and forty seven academic and general staff.

In my opinion,

1. The attached accounts show a true and fair view of the financial affairs of the Union as at 30 June 2004;
2. A record has been kept of all monies paid by, or collected from, members and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the Rules of the Union;
3. Before any expenditure was incurred by the Union, approval of the incurring of the expenditure was obtained in accordance with the Rules of the Union;
4. With regard to funds of the Union raised by compulsory levies or voluntary contributions from members or funds other than the National Fund operated in accordance with the Rules, no payments were made out of such fund for purposes other than those for which the fund was operated;
5. All loans or other financial benefits granted to persons holding office in the Union were authorised in accordance with the Rules; and
6. The register of members of the Union was maintained in accordance with the Act.



Grahame McCulloch, General Secretary
27 September 2004 at Melbourne

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2004

	2004 \$	2003 \$
Revenue from ordinary activities:	5,511,248	5,001,732
Expenses from ordinary activities:		
Officers and central resources:		
Central operating costs & resources	1,422,521	1,486,739
Publications	129,930	103,019
Executive and national council	827,038	605,844
Co-operation with other organisations	137,340	132,475
Industrial	709,487	696,884
Policy and research	518,417	413,379
Recruitment and membership training	376,689	358,613
Finance and personnel	256,119	296,208
Decrease in Net Market Value of Investments	-	43,091
Other expenses	74,016	208,097
Total expenses from ordinary activities	<u>4,451,557</u>	<u>4,344,349</u>
Net operating surplus	<u>1,059,691</u>	<u>657,383</u>
Total change in equity	<u>1,059,691</u>	<u>657,383</u>

STATEMENT OF CASH FLOWS
for the year ended 30 June 2004

	2004 \$	2003 \$
Cash flows from operating activities		
Receipts		
Capitation fees	5,313,662	5,108,709
Interest received	65,167	42,132
Rent received	127,372	172,838
Dividends received	99,067	23,674
Director fees received	<u>38,750</u>	<u>44,250</u>
	5,644,018	5,391,603
Payments		
Cash payments in the course of operations	(4,537,333)	(4,591,119)
Net GST paid to Australian Taxation Office	<u>(290,165)</u>	<u>(76,175)</u>
Net cash flows from operating activities	<u>816,520</u>	<u>724,309</u>
Cash flows from investing activities		
Payments for investments in managed funds	(968,536)	(45,102)
Payments for property, plant and equipment	<u>(48,444)</u>	<u>(63,512)</u>
Net cash flow used in investing activities	<u>(1,016,980)</u>	<u>(108,614)</u>
Net increase/(decrease) in cash held	<u>(200,460)</u>	<u>615,695</u>
Cash at the beginning of the financial year	<u>1,483,063</u>	<u>867,368</u>
Cash at the end of the financial year	<u>1,282,603</u>	<u>1,483,063</u>

STATEMENT OF FINANCIAL POSITION
for the year ended 30 June 2004

	2003 \$	2002 \$
CURRENT ASSETS		
Cash assets	1,282,603	1,483,063
Receivables	1,131,463	812,069
Other financial assets	2,212,947	1,184,479
Other	<u>78,222</u>	<u>12,847</u>
Total Current Assets	<u>4,705,235</u>	<u>3,492,458</u>
NON CURRENT ASSETS		
Other financial assets	1,540,745	1,523,823
Property, plant & equipment	<u>135,492</u>	<u>125,322</u>
Total Non Current Assets	<u>1,676,237</u>	<u>1,649,145</u>
Total Assets	<u>6,381,472</u>	<u>5,141,603</u>
CURRENT LIABILITIES		
Payables	622,823	468,637
Employee benefits	<u>160,447</u>	<u>157,829</u>
Total Current Liabilities	<u>783,270</u>	<u>626,466</u>
NON CURRENT LIABILITIES		
Employee benefits	<u>320,730</u>	<u>297,356</u>
Total Non Current Liabilities	<u>320,730</u>	<u>297,356</u>
Total Liabilities	<u>1,104,000</u>	<u>923,822</u>
Net Assets	<u>5,277,472</u>	<u>4,217,781</u>
EQUITY		
Reserves	3,615,857	2,593,578
Accumulated surplus	<u>1,661,614</u>	<u>1,624,203</u>
Total Equity	<u>5,277,472</u>	<u>4,217,781</u>



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9654 6672

Ref: FR2004/467 - [283V]

Mr G McCulloch
National Secretary
National Tertiary Education Industry Union
PO Box 1323
SOUTH MELBOURNE VIC 3205

Dear Mr McCulloch

Financial Return - year ending 30 June 2004

This letter is intended to remind you of your obligations to provide members with copies of your reporting unit's financial reports for year ended 30 June 2004 and to lodge the reports in the Industrial Registry by no later than Friday 14 January 2005.

Over the past 18 months you would have received from us information about the major changes made by Schedule 1B of the *Workplace Relations Act 1996* ('RAO'²³).

Financial Reports

Your reporting unit must prepare or have prepared the following three reports as soon as practicable after its financial year:

1. A General Purpose Financial Report (GPFR);
2. An Operating Report; and
3. An Auditor's Report.

Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the abovementioned reports (the "full report"). Under certain circumstances, your reporting unit can provide a more limited concise report.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the reporting unit for the presentation of its financial reports.

A reporting unit may make application to a Registrar to extend the period within which copies of the full report or concise report are to be provided to members by no more than one month.

The Second Meeting - if it is a General Meeting of Members

After providing the full report to members it must be presented to a general meeting of members (the *second meeting*). This meeting must be held within 6 months of the end of the financial year. You may make application to a Registrar to extend this time limit by no more than one month so that the time limit for providing to members copies of the full report or concise report may in turn be extended.

²³ Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the *Workplace Relations Act 1996*)

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval and the second meeting is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

The Second Meeting - if it is a Committee of Management Meeting

If your rules contain a provision that allows up to 5% of members to demand a general meeting to be held to consider the full report (see s266(3)), it is permissible to present the full report directly to a Committee of Management meeting. This meeting must be held within 6 months of the end of the financial year.

There is no provision for extending the time-limit for presenting the full report to a committee of management meeting.

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting.

Your reporting unit's financial reports should, therefore, be lodged by no later than Friday 14 January 2005.

Contact the Registry

We encourage you to contact the Registry on (03) 8661 7787 or by e-mail at clency.lapierre@air.gov.au as early as possible if you have any queries.

If you have already taken steps to ensure that your reporting unit complies with the time scale requirements of RAO, please ignore this letter.

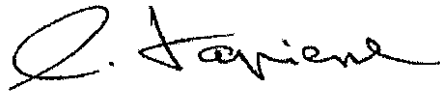
Information on AIRC Website

We recommend you and your accountant/auditor refer to the following documents on the Commission's website at www.airc.gov.au:

- [RAO Schedule and RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.

- RAO Fact Sheets - These Fact Sheets explain the new requirements of the RAO Schedule - many of them deal with financial reporting matters.

Yours sincerely

A handwritten signature in black ink, appearing to read "Q. Jayne". The signature is written in a cursive, flowing style.

23 November 2004



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7993
Fax: (03) 9654 6672

Mr. G. McCulloch
General Secretary
National Tertiary Education Industry Union
First Floor, 120 Clarendon Street
SOUTH MELBOURNE VIC 3205

Dear Mr. McCulloch,

Schedule 1B - Workplace Relations Act 1996
Extension of time to provide to members financial reports of reporting unit
(FR 2004/467)

I refer to your letter dated 15 November 2004, in relation to a request for an extension of time to provide a copy of the concise report of the National Tertiary Education Industry Union to its members.

I hereby grant to the reporting unit under subsection 265(5) of Schedule 1B of the Act an extension of time until 31 December 2004 to provide to the members of the reporting unit a copy of the concise report prepared in accordance with Schedule 1B of the Act in respect of the year ended 30 June 2004.

It is noted that the concise report forwarded with your request contains a number of deficiencies which will require correction. I understand that Mr. Larry Powell of the Registry has discussed with your office the requirements of regulation 161 of the RAO Regulations and section 265 of the RAO Schedule.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'T. Nassios', written over a horizontal line.

T. Nassios
DEPUTY INDUSTRIAL REGISTRAR

16 November 2004



National Tertiary Education Union
PO Box 1323, South Melbourne, Victoria, 3205

FACSIMILE MESSAGE

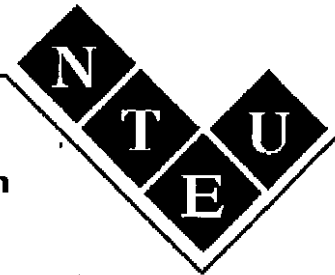
Date	<u>15/11/04</u>	From:	Anastasia Kotaidis Executive Officer
To:	<u>Lorry Powell</u>	Fax:	03 92541915
Fax:	<u>9654 6672</u>	Email:	<u>akotaidis@nteu.org.au</u>
Number of Pages	<u> </u>		

REMARKS:	<input checked="" type="checkbox"/> Urgent	<input type="checkbox"/> For your review	<input type="checkbox"/> Reply ASAP	<input type="checkbox"/> Please comment
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As discussed with Carohome

AK

**National
Tertiary
Education
Industry
Union**



Ref: 30/40/67

15 November, 2004

Larry Powell
Statutory Services Branch
Australian Industrial Registry
GPO Box 1994S
MELBOURNE 3001

Fax: 9654 6672

Dear Larry,

NATIONAL OFFICE

ABN 38 579 396 344
First floor, 120 Clarendon Street, South Melbourne 3205
PO Box 1323, South Melbourne 3205
Tel: (03) 9254 1910 Fax: (03) 9254 1915
Email: nteunat@nteu.org.au
Web: www.nteu.org.au

Re: Reporting of NTEU Financial Statement for 2003-2004 Financial Year

Further to our conversation of last week and pursuant to S265(5), I am writing to apply for an extension of the time limit within which members receive a copy of a concise audited financial report for the 2004 financial year and within which the National Executive (the equivalent of a General Meeting) receives the Audited Accounts.

Briefly stated, our accounts were audited on 27 September 2004 and have been summarised in concise form in accordance with a 1999 resolution of the NTEU National Executive. Ordinarily, the concise report would have been published in our journal – *The Advocate* in late October, and the full audited report would have been received and accepted by the National Executive in mid-November.

The *Advocate* will be published in mid-November but will not be distributed until early December, and the earliest the National Executive will be able to receive and accept the Audited Accounts will be early December.

Please find attached a copy of the concise report which will be published in the November *Advocate*.

Please confirm as soon as possible that a one month extension of time has been granted by the Registrar.

Yours sincerely,

GRAHAME MCCULLOCH
General Secretary

enc

III FINANCIAL STATEMENTS

NATIONAL TERTIARY EDUCATION INDUSTRY UNION SUMMARY OF FINANCIAL STATEMENTS for the year ended 30 June 2004

Information to be Provided to Members or Registrar

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provision of subsections (1), (2) and (3) of section 272 of Schedule 1B - Registration of accountability of Organisations which read as follows:

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- (2) The application must be in writing and must specify the period within which, and the matter in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1)."

Financial Statements

The Union will provide a copy of the report, accounts and statements for the year ended 30 June 2004 free of charge to any member who requests them.

Auditors' Report to the Members of the National Tertiary Education Industry Union National Council

We certify that the above summary is a fair and accurate summary of the reports, accounts and statements of the National Tertiary Education Industry Union National Council for the year ended 30 June 2004. Our Auditors' Report on the financial statements dated 27 September 2004, did not contain particulars of any deficiency, failure or shortcomings as referred to in the Workplace Relations Act 1996.

Avenir, Chartered Accountants

Robert Wernli

Robert Wernli, A.C.A., Partner, Registered Company Auditor, Registration Number: 16278
Melbourne, 27 September 2004

NATIONAL TERTIARY EDUCATION INDUSTRY UNION Statutory Statement for the year ended 30 June 2004 ACCOUNTING OFFICER'S CERTIFICATE

I, Grahame McCulloch, being the officer for keeping the accounting records of the National Tertiary Education Industry Union, certify that as at 30 June 2004 the number of members of the Union was twenty five thousand five hundred and forty seven academic and general staff.

In my opinion,

1. The attached accounts show a true and fair view of the financial affairs of the Union as at 30 June 2004;
2. A record has been kept of all monies paid by, or collected from, members and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the Rules of the Union;
3. Before any expenditure was incurred by the Union, approval of the incurring of the expenditure was obtained in accordance with the Rules of the Union;
4. With regard to funds of the Union raised by compulsory levies or voluntary contributions from members or funds other than the National Fund operated in accordance with the Rules, no payments were made out of such fund for purposes other than those for which the fund was operated;
5. All loans or other financial benefits granted to persons holding office in the Union were authorised in accordance with the Rules; and
6. The register of members of the Union was maintained in accordance with the Act.

Grahame McCulloch

Grahame McCulloch, General Secretary
27 September 2004 at Melbourne

FINANCIAL STATEMENTS

**STATEMENT OF FINANCIAL
PERFORMANCE**
for the year ended 30 June 2004

	2004 \$	2003 \$
Revenue from ordinary activities:	5,511,248	5,001,732
Expenses from ordinary activities:		
Officers and central resources:		
Central operating costs & resources	1,422,521	1,486,739
Publications	129,930	103,019
Executive and national council	827,038	605,844
Co-operation with other organisations	137,340	132,475
Industrial	709,487	696,884
Policy and research	518,417	413,379
Recruitment and membership training	376,689	358,613
Finance and personnel	256,119	296,208
Decrease in Net Market Value of Investments	-	43,091
Other expenses	74,016	208,097
Total expenses from ordinary activities	4,451,557	4,344,349
Net operating surplus	1,059,691	657,383
Total change in equity	1,059,691	657,383

STATEMENT OF CASH FLOWS
for the year ended 30 June 2004

	2004 \$	2003 \$
Cash flows from operating activities		
Receipts		
Capitation fees	5,313,662	5,108,709
Interest received	65,167	42,132
Rent received	127,372	172,838
Dividends received	99,067	23,674
Director fees received	38,750	44,250
	5,644,018	5,391,603
Payments		
Cash payments in the course of operations	(4,537,333)	(4,591,119)
Net GST paid to Australian Taxation Office	(290,165)	(76,175)
Net cash flows from operating activities	816,520	724,309
Cash flows from investing activities		
Payments for investments in managed funds	(968,536)	(45,102)
Payments for property, plant and equipment	(49,444)	(63,512)
Net cash flow used in investing activities	(1,016,980)	(108,614)
Net increase/(decrease) in cash held	(200,460)	615,695
Cash at the beginning of the financial year	1,483,063	867,368
Cash at the end of the financial year	1,282,603	1,483,063

STATEMENT OF FINANCIAL POSITION
for the year ended 30 June 2004

	2003 \$	2002 \$
CURRENT ASSETS		
Cash assets	1,282,603	1,483,063
Receivables	1,131,463	812,069
Other financial assets	2,212,947	1,184,479
Other	78,222	12,847
Total Current Assets	4,705,235	3,492,458
NON CURRENT ASSETS		
Other financial assets	1,540,745	1,523,823
Property, plant & equipment	135,492	125,322
Total Non Current Assets	1,676,237	1,649,145
Total Assets	6,381,472	5,141,603
CURRENT LIABILITIES		
Payables	622,823	468,637
Employee benefits	160,447	157,829
Total Current Liabilities	783,270	626,466
NON CURRENT LIABILITIES		
Employee benefits	320,730	297,356
Total Non Current Liabilities	320,730	297,356
Total Liabilities	1,104,000	923,822
Net Assets	5,277,472	4,217,781
EQUITY		
Reserves	3,615,857	2,593,578
Accumulated surplus	1,661,614	1,624,203
Total Equity	5,277,472	4,217,781



Australian Government
Australian Industrial Registry

Australian Industrial Registry
Level 35, Nauru House
80 Collins Street
MELBOURNE VIC 3000
Telephone: (03) 8661 7888
Fax: (03) 9654 6672

Ref: FR2004/467-[283V]

Mr G McCulloch
National Secretary
National Tertiary Education Industry Union
PO Box 1323
SOUTH MELBOURNE VIC 3205

Dear Mr McCulloch

Financial Return - year ending 30 June, 2004

Our records show your organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

New legislation

This letter is intended as guide to the law applicable on the date of this letter and should not be used as a substitute for legal or accounting advice. We only summarise some of the reporting requirements in this letter. More detailed information is at the end of this letter.

The legislation has changed since your last return. In May 2003 the Industrial Registrar wrote to all organisations forwarding a number of facts sheets outlining the major changes made by Schedule 1B of the Workplace Relations Act 1996 ('RAO' ¹). While the immediate changes affected the rules and elections in organisations, the changes affecting financial returns involve a longer lead time.

The key differences under the new legislation affecting financial returns are:

- **a reduced financial reporting cycle (now maximum periods of 5 or 6 months depending on internal arrangements of organisation)**
- **a greater emphasis given to Australian Accounting Standards**
- **the introduction of a new report, known as an Operating Report (broadly similar in concept to a Director's Report under the corporations legislation)**
- **extensions of time are limited to one month**
- **restructured penalty provisions involving more extensive use of Civil Penalties**
- **the introduction of the Industrial Registrar's Reporting Guidelines**
- **organisations and their branches to report according to their financial structures, known as 'reporting units'.**

We recommend you discuss the new requirements with your accountant or auditor.

¹ Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the *Workplace Relations Act 1996*)

Reporting Unit

One of the new concepts of the RAO legislation is that reporting entities are known as “*reporting units*”. Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will refer to your organisation as a reporting unit in this letter.

Industrial Registrar’s Guidelines

The Industrial Registrar’s reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit’s economic support of, or economic dependency on, other reporting units of the organisation.

Timeline Planner and Checklist

We have attached a Timeline/Planner (*Attachment A*) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (*Attachment B*) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar’s Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor’s Report, comprise the reporting unit’s financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar’s Reporting Guidelines. The GPFR consists of:

Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255); and

Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C)

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

First Meeting (Committee of Management)

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

The Auditor

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

The Second Meeting - if it is a General Meeting of Members

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval and the second meeting is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

The Second Meeting - if it is a Committee of Management Meeting

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au). When lodging the financial return please quote: **FR2004/467**.

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certification for illustrative purposes is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

Complying with time limits

This letter has outlined some of the steps in preparing and lodging your return. Many of the steps must be completed within fixed time limits.

Failure to complete them in time could make your reporting unit or its officers liable to financial or "civil penalties".

Extensions of Time

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed can be no more than one month.

Reduced Reporting Requirements

If your reporting unit meets certain conditions, some of these reporting requirements can be reduced. Such conditions might be where the annual income of the reporting unit (where the reporting unit is the whole of the organisation) is less than \$100,000, or where the reporting unit has no financial affairs in the financial year, or where the financial affairs of the reporting unit are encompassed by the financial affairs of its counterpart State industrial association.

Contact the Registry

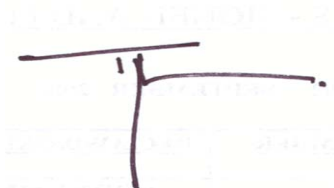
We encourage you to contact the Registry on (03) 8661 7787 or by e-mail at clency.lapierre@air.gov.au as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedure but we cannot give you legal or accounting advice.

Information on AIRC Website

We recommend you and your accountant/auditor refer to the following documents on the Commission's website at www.airc.gov.au:

- [RAO Schedule and RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the new requirements of the RAO Schedule - many of them deal with financial reporting matters.

Yours sincerely

A handwritten signature in dark ink, consisting of a horizontal line at the top, a vertical line extending downwards from the center, and a horizontal line extending to the right from the bottom of the vertical line.

Deputy Industrial Registrar
9 August, 2004

Documents Checklist

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
1	General Purpose Financial Report	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
2	Committee of Management Statement	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
3	Auditor's Report	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
4	Operating Report	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
5	Concise report*	
6	Certificate of Secretary or other Authorised Officer	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

Committee Of Management Statement

On *[date of meeting]* the Committee of Management of *[name of reporting unit]* passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended *[date]*:

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

- (a) the financial statements and notes comply* with the Australian Accounting Standards;
- (b) the financial statements and notes comply* with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view* of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds* to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held* in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been* managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been* kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been* furnished to the member or Registrar; and
 - #(vi) there has been* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: *[name of designated officer per section 243 of the RAO Schedule]*

Title of Office held:

Signature:

Date:

* Where compliance or full compliance has not been attained - set out details of non compliance instead.

Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]²*, referred to in s268 of the RAO Schedule; and
- that the *[full report **OR** concise report]³*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members **OR** the last of a series of general meetings of members **OR** a meeting of the committee of management]³* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*