



Australian Government
Australian Industrial Registry

Level 5
11 Exhibition Street, Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7989
Fax: (03) 9655 0410

Mr Egbert Groen
Branch President
National Tertiary Education Industry Union
University of Newcastle Branch
Room HA1A
University of Newcastle
University Drive
CALLAGHAN NSW 2308

Dear Mr Groen

**Re: Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule)
Financial reports for year ended 30 June 2006 - FR 2006/293**

I acknowledge receipt of the financial reports for the University of Newcastle Branch of the National Tertiary Education Industry Union for the year ended 30 June 2006 and your letter to our office dated 14 March 2007. The documents were lodged in the Industrial Registry on 28 February and 21 March June 2007 respectively.

The documents have been filed.

Although the documents have been filed, I would like to comment on some issues arising out of the reports. I make these comments to assist you when you next prepare the financial reports. You *do not* need to take any further action in respect of the financial reports already lodged.

1. Recovery of Wages Activity

I note that the accounts do not provide any information in relation to any recovery of wages activity.

Items 16 – 23, 25(f) and 27(b) of the Reporting Guidelines govern the financial reporting of recovery of wages activity.

In circumstances where the reporting unit has not undertaken any recovery of wages activity for the financial year, a statement by the auditor *or* a declaration in the committee of management statement to the effect that there was no recovery of wages activity for the financial year would be sufficient.

2. Auditor's Report – Approved Auditor as defined in Regulation 4

In the auditor's report it is not clear whether the signatory auditor, Peter J Sweeney, is an approved auditor.

Regulation 4 of the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003* (RAO Regulations) defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants **and** holds a current Public Practice Certificate. The individual auditor signing off is required to state whether he or she holds a current Public Practice Certificate.

Please draw this to the attention of your auditor for future reports.

3. Timescale Requirements

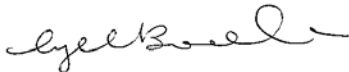
Further to my telephone conversation with Ms Lyn Turner on 14 March 2007, I have attached a Timeline summarising the sequence in which your reporting unit should organise it's affairs to meet the financial reporting obligations under the *RAO Schedule*, *RAO Regulations* and the Reporting Guidelines.

4. Electronic Lodgment

I encourage you to take advantage of the electronic lodgment service provided by the Registry for future lodgments. You may register as a user and then lodge your documents via the Electronic Lodgment page of the AIRC website at www.airc.gov.au. Alternatively, you may send an email with the documents attached to riateam3@air.gov.au. Please note that the Rules of the Commission allow for electronic signatures to be used, other than for statutory declarations (see subrule 74A(1)). Where documents are lodged electronically, there will be no need to forward hard copies of the documents.

Should you wish to discuss the contents of this letter or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7989 on Wednesdays or Thursdays or by email at cynthia.lobooth@air.gov.au.

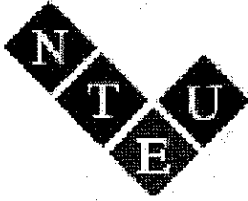
Yours sincerely,



Cynthia Lo-Booth
Statutory Services Branch

21 March 2007

Encl



National
Tertiary
Education
Industry
Union

University of Newcastle Branch

Room HA1A, University of Newcastle, 2308 Telephone: 49 216870 Email: nteunewcastle@ozemail.com.au Facsimile: (02) 49212032

14 March 2007

Cynthia Lo-Booth
Statutory Services Branch
GPO Box 1994
Melbourne VIC 3001

Re: Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule)
Financial reports for year ended 30 June 2006 – FR 2006/293

Dear Cynthia

I refer to your letter of 1 March 2007 in relation to the above.

This letter is to confirm that a full financial report went out to members on 15 December 2006. That report is the same copy lodged with the Australian Industrial Registry except the reports sent to members were unsigned and undated copies.

Thank you for your assistance with this matter.

Yours sincerely,

E. Groen

EGBERT GROEN
Branch President



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Branch President
National Tertiary Education Industry Union
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University Drive
CALLAGHAN NSW 2308

Dear Mr Groen

**Re: Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule)
Financial reports for year ended 30 June 2006 - FR 2006/293**

I have received the financial reports for the University of Newcastle Branch of the National Tertiary Education Industry Union for the year ended 30 June 2006. The documents were lodged in the Industrial Registry on 28 February 2007.

The financial documents have not yet been filed.

As explained below, I will require further information from you in order to file the branch's financial report.

Timescale Requirements

The financial reports should be prepared, audited, supplied to members, presented to a meeting and lodged in the Industrial Registry within certain timescale requirements. My examination of the documentation lodged indicates:

1. the committee of management statement refers to a resolution passed at a meeting on 14 February 2007 and the statement is dated 23 February 2007;
2. the operating report is dated 23 February 2007;
3. the auditor's report is dated 30 November 2006;
4. the financial documents were circulated to members on 15 December 2006; and
5. the documents were presented to a meeting on 21 February 2007.

The resolution in the committee of management statement should refer to a date on or before the date of the auditor's report as the Auditor must take the statement into account in the preparation of their report. If the auditor's report is being presented to a general meeting then the full financial report should be circulated to members 21 days before the meeting. The full financial report should include the signed operating report and signed committee of management statement. Following the general meeting the documents should be lodged with the Registry within 14 days of the meeting.

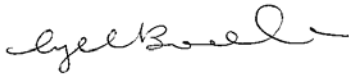
It appears that various steps in the process have occurred, however the sequence of those events appears at odds with the prescribed timeframe.

Given that the operating report and the committee of management statement are both dated 23 February 2007 it would appear that such documents supplied to members were unsigned and undated. However, the problem remains that the resolution was passed on 14 February 2007, a date well after the full report was circulated to members on 15 December 2006 but before its presentation to the members at the general meeting of 21 February 2007.

Can you please confirm in writing whether the documents supplied to the members and presented to the general meeting were the same as the documents lodged but were unsigned and undated copies. If that is not the case the reporting unit may have to re-do certain steps and you should contact me to discuss what is required to remedy any deficiency.

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7989 on Wednesdays or Thursdays or by email at cynthia.lobooth@air.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Cynthia Lo-Booth', with a stylized flourish at the end.

Cynthia Lo-Booth
Statutory Services Branch

1 March 2007

NATIONAL TERTIARY EDUCATION UNION
UNIVERSITY OF NEWCASTLE BRANCH

CERTIFICATE OF SECRETARY OR OTHER AUTHORISED OFFICER
S268 of Schedule 1B Workplace Relations Act 1996

I, EGBERT GROEN....., being the President of the National Tertiary Education Union --
University of Newcastle Branch certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- that the full report was provided to members on **15 December 2006**, and
- that the full report was presented to a meeting of meeting of members on **21 February 2007**

E. Groen
.....
Signature.
Branch President

23 February 2007
.....
Date Signed.

**NATIONAL TERTIARY EDUCATION UNION
UNIVERSITY OF NEWCASTLE BRANCH**

**FINANCIAL REPORT FOR THE
YEAR ENDED 30 JUNE 2006**

**NATIONAL TERTIARY EDUCATION UNION
UNIVERSITY OF NEWCASTLE BRANCH**

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

The Committee of Management presents their report on the activities of the Branch for the year ended 30 June 2006.

COMMITTEE OF MANAGEMENT – MEMBERSHIP

The members of the Committee of Management during the year were:

Name	Position Held	Period of Membership
Wayne Reynolds	Branch President	1/7/05-1/2/06
Egbert Groen	Branch President	1/2/06-30/6/06
Egbert Groen	Branch Vice-President (Academic)	30/6/05-1/2/06
	Branch Vice-President	Vacant 1/2/06-30/6/06
Frances Munt	Branch Vice-President (General)	1/7/05-30/6/06
Bill Warren	Branch Secretary	1/7/05-21/3/06
Glenn Albrecht	Branch Secretary	5/4/06-30/6/06
Ray Fairall	Branch Treasurer	1/7/05-30/6/06
Fran Baker	Committee Member	1/7/05-30/6/06
AnitaBerghout	Committee Member	1/7/05-30/6/06
Sue Hodgson	Committee Member	1/7/05-30/6/06
Rod Noble	Committee Member	1/7/05-30/6/06
Peter Peterson	Committee Member	1/7/05-30/6/06
David Watt	Committee Member	1/7/05-30/6/06

PRINCIPAL ACTIVITY

The principal activity of the entity was the operation of the branch of the Union to provide industrial, professional and managerial services to members consistent with the objects of the Union and particularly the object of protecting and improving the interests of the members. There was no change in that activity from the previous financial year.

RESULT OF OPERATIONS

NTEU Newcastle Branch was involved in discussions in the Academic, General and Teaching Staff Consultative Committees and at these meetings with the University Management discussed policy issues affecting academic, general and teaching staff. The branch also provided industrial support to many members during the past year.

SIGNIFICANT CHANGES

Newcastle Branch handed over administration of its payroll to NTEU National Office on 10 February 2006. A number of members also moved from payroll deduction to alternate fee payment methods which are administered by the NTEU National Office.

MEMBERSHIP

The total membership of the Branch as at 30 June 2006 was 492.

RIGHT OF MEMBERS TO RESIGN

A member may resign from membership of the Union by written notice addressed and delivered to the Executive Officer of the Branch, pursuant to Rule 11.

EMPLOYEES

The Branch employs two persons on a part-time basis.

SUPERANNUATION TRUSTEE

The Branch makes compulsory contributions on behalf of its employees to the Union's Superannuation fund for one employee and to the ATO Superannuation Holding Account Reserve for the second employee. No officer or member is (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme, where a criterion for the officer or members being the trustee or director is that the officer or member is an officer or member of a registered organisation.

Signed in accordance with the resolution of the Committee of Management, at a meeting held on 14 February, 2007.

E. Groen
.....
Branch President

23 February 2007
.....
Date Signed.

Peter J Sweeney B. Com. C.A.

Chartered Accountant
Registered Company Auditor ~ Registered Tax Agent
ABN 62 651 971 253

**AUDITORS REPORT TO MEMBERS OF
NATIONAL TERTIARY EDUCATION UNION
UNIVERSITY OF NEWCASTLE BRANCH****Scope**

I have audited the attached financial report of National Tertiary Education Union – University of Newcastle Branch for the year ended 30 June 2006. The Committee of Management of the organisation is responsible for the preparation and presentation of the financial report and the information contained therein. I have conducted an independent audit of the financial report in order to express an opinion on it to the members of the organisation.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards and the Workplace Relations Act 1996 so as to present a view of the organisation which is consistent with my understanding of its financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In my opinion:

- a) satisfactory accounting records have been kept by the organisation so far as appears from my examination of these books, including:
 - i. records of the sources and nature of the income of the organisation (including income from members); and
 - ii. records of the nature and purposes of the expenditure of the organisation;
- b) the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996.

Where necessary I have obtained all the information and explanations, from officers or employees of the organisation, which to the best of my knowledge and belief, were necessary for the purposes of my audit.

30 November 2006
New Lambton

Peter J Sweeney
Chartered Accountant
Registered Company Auditor
ASIC Number 3968

1st Floor 71 Regent Street [PO Box 225] NEW LAMBTON 2305

Ph: (02) 49524355 Fax: (02) 49524159 Email: pjsweeney@bigpond.com

"Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW)."

**NATIONAL TERTIARY EDUCATION UNION
UNIVERSITY OF NEWCASTLE BRANCH**

**BALANCE SHEET
AS AT 30 JUNE 2006**

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash on Hand		42	36
Cash on Deposit	2	70,440	68,093
GST		13	0
TOTAL CURRENT ASSETS		<u>70,495</u>	<u>68,129</u>
NON-CURRENT ASSETS			
Plant and Equipment	3	0	0
TOTAL NON-CURRENT ASSETS		<u>0</u>	<u>0</u>
TOTAL ASSETS		<u>\$70,495</u>	<u>\$68,129</u>
CURRENT LIABILITIES			
Creditors and Borrowings	4	3,623	1,057
Provisions	5	50,042	43,459
TOTAL CURRENT LIABILITIES		<u>53,665</u>	<u>44,516</u>
TOTAL LIABILITIES		<u>\$53,665</u>	<u>\$44,516</u>
NET ASSETS		<u>\$16,830</u>	<u>\$23,613</u>
ACCUMULATED FUNDS	6	<u>\$16,830</u>	<u>\$23,613</u>

To be read in conjunction with the accompanying Notes.

**NATIONAL TERTIARY EDUCATION UNION
UNIVERSITY OF NEWCASTLE BRANCH**

**PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
		\$
INCOME		
Membership Subscriptions	258,522	307,086
Interest Received	2,873	2,854
Recruitment Reimbursement	0	424
Campaign Reimbursement NTEU	3,591	4,952
Sundry Revenue	1,452	170
TOTAL INCOME	<u>266,438</u>	<u>315,486</u>
EXPENDITURE		
Affiliation Fees NTHC	671	659
Audit Fees	1,990	1,660
Bank Charges	61	43
Capitation – NTEU NSW Division	95,526	120,379
Capitation – NTEU National	89,138	112,329
Campaign Rally	0	4,236
Donations	200	0
Functions	899	1,554
Honoraria	1,050	0
Insurance	814	1,326
Office Software and Equipment	2,159	620
Photocopier/Fax Maintenance	624	401
Photocopier Rental	2,268	2,268
Petty Cash Expenses	252	244
Payroll Tax	3,376	3,689
Rally and Strike Costs	1,553	0
Salaries - Staff	56,211	41,964
Stationery/Office Consumables	923	1,261
Sundry Expenses	568	581
Superannuation - Staff	5,568	8,488
Telephone and Internet	1,349	1,378
Training and Development	698	50
Travel Expenses	740	3,051
Provision for Annual Leave	922	1,724
Provision for Long Service Leave	2,386	2,454
Provision for Sick Leave	3,275	2,323
TOTAL EXPENSES	<u>273,221</u>	<u>312,682</u>
Operating Surplus (Deficit)	<u>(\$6,783)</u>	<u>\$2,804</u>

To be read in conjunction with the accompanying Notes.

**NATIONAL TERTIARY EDUCATION UNION
UNIVERSITY OF NEWCASTLE BRANCH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
• Membership Subscriptions		258,522	307,086
• GST Net Amount		(13)	
• Other Receipts		5,043	5,546
• Payments to NTEU State & National		(184,664)	(232,708)
• Payments to Suppliers and Employees		(81,974)	(84,509)
• Interest Received		2,873	2,854
Net Cash Provided by (used in) Operating Activities	8	(213)	\$(1,731)
Cash at beginning of year		67,072	68,803
CASH AT END OF YEAR		\$66,859	\$67,072
 CASH AT END OF YEAR COMPRISES			
Cash on Hand		42	36
Deposit Accounts		70,440	68,093
		70,482	68,129
Less Operating Account overdrawn		3,623	1,057
BALANCE AT END OF YEAR		\$66,859	\$67,072

To be read in conjunction with the accompanying Notes

**NATIONAL TERTIARY EDUCATION UNION
UNIVERSITY OF NEWCASTLE BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

NOTE 1 – STATEMENT OF ACCOUNTING POLICIES

This general-purpose financial report has been prepared in accordance with Applicable Accounting Standards and Urgent Issues Group Consensus views. The accounting policies have been applied consistently.

a) **BASIS OF ACCOUNTING**

The financial statements have been prepared on the basis of historical cost and do not take into account changing money values or current valuations of non-current assets.

b) **REVENUE RECOGNITION**

Membership subscriptions, interest and other revenue is recognised on receipt.

c) **PLANT AND EQUIPMENT**

Plant and equipment is recorded at cost. Depreciation is charged on a straight-line basis to write the assets off over their estimated useful lives.

d) **EMPLOYEE ENTITLEMENTS**

Liabilities for Salaries, Annual Leave and Sick Leave are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of service up to that date.

The Long Service Leave liability is measured as the cost value of the liability as at the Balance Date. This value is considered to materially represent the present value of the liability.

e) **INCOME TAX**

No liability for income tax exists because Trade Unions are exempt from income tax pursuant to section 50-15 of the Income Tax Assessment Act 1997.

f) **ROUNDING OF AMOUNTS IN ACCOUNTS**

The amounts disclosed in the financial statements have been rounded to whole dollars.

**NATIONAL TERTIARY EDUCATION UNION
UNIVERSITY OF NEWCASTLE BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
NOTE 2 – CASH ON DEPOSIT		\$
Unicom Credit Union		
S.10 Redifund	13,016	13,330
I.1 Term Deposit – Employee Entitlements.3	14,796	14,100
I.2 Equipment Reserve	3,520	3,420
I.4 Term Deposit – Employee Entitlements.1	19,238	18,252
I.6 Term Deposit – Employee Entitlements.2	19,870	18,991
	<u>\$70,440</u>	<u>\$68,093</u>
NOTE 3 – PLANT AND EQUIPMENT		
At Cost	6,508	6,508
Less Accumulated Depreciation	6,508	6,508
	<u>\$0</u>	<u>\$0</u>
NOTE 4 – CREDITORS AND BORROWINGS		
Unicom Credit Union -		
S.2 Operating Account Overdrawn	3,623	1,057
	<u>\$3,623</u>	<u>\$1,057</u>
NOTE 5 – PROVISIONS - CURRENT		
Employee Entitlements		
Annual Leave	3,528	2,606
Sick Leave	20,573	17,298
Long Service Leave	25,941	23,555
	<u>\$50,042</u>	<u>\$43,459</u>
NOTE 6 – ACCUMULATED FUNDS		
Balance 1 July 2005	23,613	20,809
Add (Less) Surplus (Deficit) for the year	(6,783)	2,804
Balance 30 June 2006	<u>\$16,830</u>	<u>\$23,613</u>
NOTE 7 – AUDIT FEES		
Fees in respect of audit	\$1,990	\$1,660
Fees in respect of other services	<u>\$0</u>	<u>\$0</u>

**NATIONAL TERTIARY EDUCATION UNION
UNIVERSITY OF NEWCASTLE BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

NOTE 8 – CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operating Activities with Operating Deficit

	2006	2005
	\$	\$
Operating Surplus (Deficit)	(6,783)	2,804
Non-cash flows in Surplus (Deficit)-		
Changes in Provisions – Employee Entitlements	6,583	(4,535)
Net GST Balance	(13)	
	<hr/>	<hr/>
Cash Flows from Operations	<u>\$(213)</u>	<u>\$(1,731)</u>

NOTE 9 - INFORMATION AVAILABLE TO MEMBERS

Pursuant to Subsection 272(5) of the RAO Schedule of the Workplace Relations Act 1996, Members are advised that:

- 1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation 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 organisation.
- 3) An organisation must comply with an application made under subsection (1).

**NATIONAL TERTIARY EDUCATION UNION
UNIVERSITY OF NEWCASTLE BRANCH**

COMMITTEE OF MANAGEMENT STATEMENT

In the opinion of the Committed of Management in relation to the General Purpose Financial Report:-

- a) the financial statements and notes comply with Australian Accounting Standards;
- b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar for purposes of sections 253 and 270 of the RAO Schedule;
- c) the financial statements and notes give a true and fair view of the financial performance and 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; and
- e) during the financial year to which the General Purpose Financial Report 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) 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 in 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.

Signed in accordance with the resolution of the Committee of Management, at a meeting held on 14th ~~on~~ February, 2007.

E. Groen
.....
Branch President

23rd February 2007
.....
Date Signed.