



Mr Egbert Groen
President
National Tertiary Education Industry Union
University of Newcastle Branch

email: nteunewcastle@ozemail.com.au

Dear Mr Groen

Re: Financial Report for the National Tertiary Education Industry Union, University of Newcastle Branch for year ended 30 June 2007 – FR2007/343

I acknowledge receipt of the financial report of the National Tertiary Education Industry Union, University of Newcastle Branch for the year ended 30 June 2007. The documents were lodged with the Registry on 29 November 2007.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

Committee of Management Statement

Recovery of wages activity

I remind you that the applicable Reporting Guidelines require the Committee of Management Statement to include information in relation to recovery of wages activity. If there has been no recovery of wages activity you may wish to consider words such as:

(xz) in relation to the recovery of wages activity:

(i) there has been no such activity undertaken by the reporting unit.

Notes to financial Reports

Notice under Section 272(5) of the RAO Schedule

In future, the reference to section 272(5) appearing in note 9 should refer to “a reporting unit” and not “the organisation” as, the report is for the branch which is a reporting unit of the organisation.

Audit Report

Auditor's Qualification

It is not clear from the Report whether or not the Auditor is an approved Auditor. In this regard I draw your attention to the definition of approved auditor in regulation 4 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003. In all likelihood the Auditor is such a person however, it is our preference that this is made explicit in the Report. I recommend you draw this comment to the attention of your Auditors.

Schedule 1

Reference to Schedule 1B of the Act, should properly refer to Schedule 1.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Donnellan'. The signature is fluid and cursive, with a large loop at the end.

Kevin Donnellan

Statutory Services Branch
7 December 2007

FR 2007 / 343

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

**FINANCIAL REPORT FOR THE
YEAR ENDED 30 JUNE 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 **19 October 2007**; and
- that the full report was presented to a general meeting of members on **21 November 2007**; in accordance with section 266 of the RAO Schedule.

E. Groen
Signature.

26/11/2007
Date Signed.

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

COMMITTEE OF MANAGEMENT STATEMENT

In the opinion of the Committee 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 Wednesday on 18 July 2007.

E. Croer
.....
Branch President

18 July 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

I have audited the attached financial report of National Tertiary Education Union University of Newcastle Branch, which comprises the Balance Sheet as at 30 June 2007, and the Profit and Loss Statement and Statement of Cash Flows for the year then ended, a summary of significant accounting policies and other explanatory notes. The Committee of Management of the organisation is responsible for the preparation and fair presentation of the financial report in accordance with applicable Australian Accounting Standards and the applicable reporting guidelines of the Industrial Registrar pursuant to the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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;

Peter J Sweeney B. Com. C.A.

Chartered Accountant

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- b) the financial report presents fairly in all material respects, the financial position of the National Tertiary Education Union University of Newcastle Branch as at 30 June 2007, and of its financial performance and cash flows for the year then ended 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.



17 October 2007
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: peter@peterjsweeney.net.au

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

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

The Committee of Management presents their report on the activities of the Branch for the year ended 30 June 2007.

COMMITTEE OF MANAGEMENT – MEMBERSHIP

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

Name	Position Held	Period of Membership
Egbert Groen	Branch President	1/7/06 - 30/6/07
Thomas Griffiths	Branch VP (Academic)	1/7/06 – 30/6/07
Helen Cluff	Branch VP (General)	1/7/06 – 30/6/07
Glenn Albrecht	Branch Secretary	1/7/06 – 30/6/07
Julie Lee	Branch Treasurer	1/7/06 – 30/6/07
David Watt	Ordinary Committee Member (Academic)	1/7/06 – 30/6/07
Frances Munt	Ordinary Committee Member (General Staff)	1/7/06 – 30/6/07
Stephen James	Ordinary Committee Member	1/7/06 – 5/4/07
Alison Reid	Ordinary Committee Member	1/7/06 - 30/6/07
David Lyall	Ordinary Committee Member	1/7/06 – 30/6/07
Rodney Noble	Ordinary Committee Member	1/7/06 – 30/6/07

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 its members during the past year.

SIGNIFICANT CHANGES

There have been no significant changes in the operations of the branch since the end of the last financial year. Members continued to move from payroll deductions to alternate payment methods which are administered centrally.

MEMBERSHIP

The total membership of the Branch as at 30 June 2007 was 452

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 18 July, 2007.

E. Croen
.....
President

17 October 2007
.....
Date Signed.

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

**BALANCE SHEET
AS AT 30 JUNE 2007**

	Note	2007 \$	2006 \$
CURRENT ASSETS			
Cash at Bank & On Hand		66	42
Cash on Deposit	2	54,299	70,440
GST		19	13
TOTAL CURRENT ASSETS		<u>54,384</u>	<u>70,495</u>
NON-CURRENT ASSETS			
Plant and Equipment	3	<u>1,452</u>	<u>0</u>
TOTAL NON-CURRENT ASSETS		<u>1,452</u>	<u>0</u>
TOTAL ASSETS		<u>\$55,836</u>	<u>\$70,495</u>
CURRENT LIABILITIES			
Creditors and Borrowings	4	0	3,623
Provisions	5	<u>33,932</u>	<u>50,042</u>
TOTAL CURRENT LIABILITIES		<u>33,932</u>	<u>53,665</u>
TOTAL LIABILITIES		<u>\$33,932</u>	<u>\$53,665</u>
NET ASSETS		<u>\$21,904</u>	<u>\$16,830</u>
ACCUMULATED FUNDS	6	<u>\$21,904</u>	<u>\$16,830</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 2007**

	2007	2006
		\$
INCOME		
Membership Subscriptions	218,622	258,522
Interest Received	2,937	2,873
Recruitment Reimbursement	0	0
Campaign Reimbursement NTEU	0	3,591
Sundry Revenue	446	1,452
TOTAL INCOME	<u>222,005</u>	<u>266,438</u>
 EXPENDITURE		
Affiliation Fees NTHC	713	671
Audit Fees	1,720	1,990
Bank Charges	188	61
Capitation – NTEU NSW Division	74,871	95,526
Capitation – NTEU National	69,865	89,138
Depreciation	531	0
Donations	0	200
Functions	955	899
Honoraria	1,000	1,050
Insurance	1,113	814
Office Software and Equipment	1,274	2,159
Photocopier/Fax Maintenance	321	624
Photocopier Rental	2,268	2,268
Petty Cash Expenses	171	252
Payroll Tax	3,632	3,376
Rally and Strike Costs	378	1,553
Salaries - Staff	60,560	56,211
Stationery/Office Consumables	941	923
Sundry Expenses	941	568
Superannuation - Staff	9,121	5,568
Telephone and Internet	1,213	1,349
Training and Development	1,195	698
Travel Expenses	70	740
Provision for Annual Leave	2,696	922
Provision for Long Service Leave	1,767	2,386
Provision for Sick Leave Written Back {Note 1(d)}	(20,573)	3,275
TOTAL EXPENSES	<u>273,221</u>	<u>273,221</u>
 Operating Surplus (Deficit)	<u>\$5,074</u>	<u>\$(6,783)</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 2007**

	Note	2007	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
• Membership Subscriptions		218,622	258,522
• GST Net Amount		(6)	(13)
• Other Receipts		446	5,043
• Payments to NTEU State & National		(144,736)	(184,664)
• Payments to Suppliers and Employees		(89,757)	(81,974)
• Interest Received		2,937	2,873
Net Cash Provided by (used in) Operating Activities	8	<u>(12,494)</u>	<u>\$(213)</u>
Cash at beginning of year		<u>66,859</u>	<u>67,072</u>
CASH AT END OF YEAR		<u><u>\$54,365</u></u>	<u><u>\$66,859</u></u>
 CASH AT END OF YEAR COMPRISES			
Cash at Bank & On Hand		66	42
Deposit Accounts		<u>54,299</u>	<u>70,440</u>
		54,365	70,482
Less Operating Account overdrawn		<u>0</u>	<u>3,623</u>
BALANCE AT END OF YEAR		<u><u>\$54,365</u></u>	<u><u>\$66,859</u></u>

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 2007**

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 and Annual 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.

The Committee of Management has decided that no provision will be made for Sick Leave and have therefore written back the previous year's balance of the Provision for Sick Leave Account

- 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 2007**

	2007	2006
NOTE 2 – CASH ON DEPOSIT – Unicom Credit Union		\$
S.2 Operating Account	8,215	0
S.10 Redifund	4,339	13,016
I.1 Term Deposit – Employee Entitlements.3	15,557	14,796
I.2 Equipment Reserve	0	3,520
I.4 Term Deposit – Employee Entitlements.1	20,277	19,238
I.6 Term Deposit – Employee Entitlements.2	5,911	19,870
	<u>\$54,299</u>	<u>\$70,440</u>
NOTE 3 – PLANT AND EQUIPMENT		
At Cost	8,491	6,508
Less Accumulated Depreciation	7,039	6,508
	<u>\$1,452</u>	<u>\$0</u>
NOTE 4 – CREDITORS AND BORROWINGS		
Unicom Credit Union -		
S.2 Operating Account Overdrawn	0	3,623
	<u>\$0</u>	<u>\$1,057</u>
NOTE 5 – PROVISIONS - CURRENT		
Employee Entitlements		
Annual Leave	6,224	3,528
Sick Leave	0	20,573
Long Service Leave	27,708	25,941
	<u>\$33,932</u>	<u>\$43,459</u>
NOTE 6 – ACCUMULATED FUNDS		
Balance 1 July 2006	16,830	23,613
Add (Less) Surplus (Deficit) for the year	5,074	(6,783)
Balance 30 June 2007	<u>\$21,904</u>	<u>\$16,830</u>
NOTE 7 – AUDIT FEES		
Fees in respect of audit	\$1,720	\$1,990
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 2007**

NOTE 8 – CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operating Activities with Operating Deficit

	2007	2006
	\$	\$
Operating Surplus (Deficit)	5,074	(6,783)
Non-cash flows in Surplus (Deficit)-		
Changes in Provisions – Employee Entitlements	(16,110)	6,583
Net GST Balance	(6)	(13)
Depreciation	531	0
Purchase of Equipment	(1983)	0
	<hr/>	<hr/>
Cash Flows from Operations	<u><u>\$(12,494)</u></u>	<u><u>\$(213)</u></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).