



**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. M. Thomson  
Branch President  
National Tertiary Education Industry Union  
University of Sydney Branch  
Transient Building F12  
University of Sydney  
SYDNEY NSW 2006

Dear Mr. Thomson,

**Re: Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule)  
Financial reports for year ended 30 June 2004 - FR 2004/513**

Thank you for forwarding additional documentation in relation to the financial documents of the University of Sydney Branch of the National Tertiary Education Industry Union for the year ended 30 June 2004; this has been placed with the documents previously lodged.

The financial documents have now been filed.

Please note that a reporting unit is required by section 253(2) of the RAO Schedule to prepare a general purpose financial report from its financial records.

While in some cases, the contents of a special purpose financial report and a general purpose financial report might not be substantially different, the requirement to prepare a general purpose financial report is quite clear.

Would you please ensure in future that a general purpose financial report is prepared.

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 7993 or by email at [larry.powell@air.gov.au](mailto:larry.powell@air.gov.au).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'L. Powell'.

Larry Powell  
Statutory Services Branch

19 May 2005

**NTEU University of Sydney Branch**

**A.B.N. 38 579 396 344**

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30TH JUNE 2004**



**NTEU University of Sydney Branch**

**A.B.N. 38 579 396 344**

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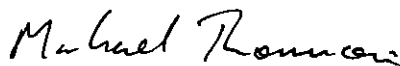
## COMMITTEE OF MANAGEMENT STATEMENT – NTEU UNIVERSITY OF SYDNEY BRANCH

On the 24th January 2005 the Committee of Management of the *National Tertiary Education Industry Union – University of Sydney Branch* passed the following resolution in relation to the Special Purpose Financial Report (SPFR) for the Branch for the financial year ended 30 June 2004.

The Committee of Management declares in relation to the SPFR 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 branch for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the branch will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the SPFR relates and since the end of the year:
  - i. meetings of the committee of management were held in accordance with the rules of the organization 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 branch including the rules of a branch concerned; and
  - iii. the financial records of the branch have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations.

For the Committee of Management;



**Michael Thomson**

**President**

Date:

**NTEU- Sydney University Branch  
PROFIT AND LOSS STATEMENT  
AS AT 30TH JUNE 2004**

	2004	2003
	\$	\$
<b>INCOME</b>		
Commissions Received	850,808.74	778,755.36
Capitation Fees - NTEU	9,194.65	6,441.98
	<u>860,003.39</u>	<u>785,197.34</u>
<b>OTHER INCOME</b>		
Interest Received	15,429.15	13,270.10
Lease Rentals	0.00	1,892.32
Other Revenue	59.93	55.61
	<u>15,489.08</u>	<u>15,218.03</u>
<b>TOTAL INCOME</b>	<u><b>875,492.47</b></u>	<u><b>800,415.37</b></u>
<b>EXPENDITURE</b>		
Auditors Remuneration	6,780.00	1,775.00
Bank Charges	267.97	323.78
Campaigns	-	(863.50)
Capitation Fees	635,071.50	602,760.11
Catering Expenses	4,171.52	3,691.88
Conference and Meetings	-	1,687.40
Depreciation	3,477.06	5,540.31
General Expenses	1,044.97	293.58
Insurance	1,337.25	798.54
Leasing Charges	4,262.84	3,234.32
Contribution to NSW Division - 2003 Year	7,300.00	-
Payroll Tax	7,441.04	7,047.96
Postage	1,034.39	568.64
Printing & Stationery	14,310.94	13,170.80
Repairs & Maintenance	317.27	-
Salaries	110,917.78	104,977.21
Staff Training & Welfare	242.00	363.64
Subscriptions	-	182.27
Superannuation Contributions	13,099.44	12,488.42
Telephone	5,605.32	(1,931.44)
Time Release Scheme	12,889.00	4,972.59
Travelling Expenses	6,612.13	3,700.93
<b>TOTAL EXPENDITURE</b>	<u><b>836,182.42</b></u>	<u><b>764,782.44</b></u>
<b>NET PROFIT</b>	<u><b>39,310.05</b></u>	<u><b>35,632.93</b></u>

The accompanying notes form part of these financial statements.  
This report is to be read in conjunction with the attached compilation report.

**NTEU - Sydney University Branch  
BALANCE SHEET  
AS AT 30TH JUNE 2004**

	Note	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash assets		337,515.71	263,170.61
Receivables	2	8,339.89	19,455.38
Investments	3	13,000.00	13,000.00
Prepayments		-	1,432.57
<b>TOTAL CURRENT ASSETS</b>		<u>358,855.60</u>	<u>297,058.56</u>
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Plant and equipment	4	6,468.80	9,945.86
<b>TOTAL NON-CURRENT ASSETS</b>		<u>6,468.80</u>	<u>9,945.86</u>
<b>TOTAL ASSETS</b>		<u><u>365,324.40</u></u>	<u><u>307,004.42</u></u>
<b>CURRENT LIABILITIES</b>			
Provision for Payroll Tax		1,353.10	-
Provision for Superannuation		9,202.33	2,460.32
GST payable		4,632.00	1,924.00
Provision for Income tax		(605.00)	(605.00)
Accrued Charges		9,506.82	1,300.00
<b>TOTAL CURRENT LIABILITIES</b>		<u>24,089.25</u>	<u>5,079.32</u>
<b>TOTAL LIABILITIES</b>		<u><u>24,089.25</u></u>	<u><u>5,079.32</u></u>
<b>NET ASSETS</b>		<u><u>341,235.15</u></u>	<u><u>301,925.10</u></u>
<b>EQUITY</b>			
Retained Profits	5	<u><u>341,235.15</u></u>	<u><u>301,925.10</u></u>

The accompanying notes form part of these financial statements.  
This report is to be read in conjunction with the attached compilation report.

**NTEU - Sydney University Branch  
STATEMENT OF CASH FLOWS  
AS AT 30TH JUNE 2004**

	2004 \$	2003 \$
<b>Cash flows From Operating Activities</b>		
Receipts from Members	946,069.65	780,408.76
Interest Received	15,429.15	13,270.10
Payment to Suppliers & Employees	(124,017.22)	(116,483.99)
Interest & Other Cost of Finance Paid	(4,530.81)	(3,558.10)
Income Taxes Paid	-	(605.00)
General Administration Expenses & Direct Expenses	(770,849.39)	(639,777.74)
<b>Net Cash provided by (used in) operating activities</b>	<b>62,101.38</b>	<b>33,254.03</b>
<b>Cash flows From Financing Activities</b>		
Proceeds from Borrowings	12,243.72	3,257.37
<b>Net Cash provided by (used in) Financing activities</b>	<b>12,243.72</b>	<b>3,257.37</b>
Net increase (decrease) in cash held	74,345.10	36,511.40
Cash at the Beginning of The Financial Year	263,170.61	226,659.21
Cash at the end of the year	<b>337,515.71</b>	<b>263,170.61</b>

The accompanying notes form part of these financial statements  
This report is to be read in conjunction with the attached compilation report

**NTEU - Sydney University Branch**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2004**

**1 Statement of Significant Accounting Policies**

This financial report is a special purpose financial report prepared for use by directors and members of the company. The directors have determined that the company is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AAS 4 :Depreciation of Non-Current Assets

AAS 5 :Materiality

AAS 8 :Events Occurring after Reporting Date

AAS17 :Accounting for Leases

No other Australian Accounting Standards, Urgent Issues Group Consensus view or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

**Investments**

Investments are brought to account at cost or directors' valuation. Dividends and interests are brought to account when received.

**Property, Plant and Equipment**

Property, plant and equipment are carried at cost or independent valuation.

All assets, excluding freehold land and buildings are depreciated over their useful lives to the company.

These notes are to be read in conjunction with the attached compilation report.



**NTEU - Sydney University Branch**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2004**

**Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value.

Leased assets are depreciated over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**Employee Benefits**

Contributions are made to an employee superannuation fund and are charged as expenses when incurred.

**NTEU - Sydney University Branch**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 30TH JUNE 2004**

	2004	2003
	\$	\$
<b>2 Receivables</b>		
<b>CURRENT</b>		
Loans - Solidarity Fund	6,798.91	11,742.63
Loan - NSW Division	-	7,300.00
Other debtors	1,540.98	412.75
	<u>8,339.89</u>	<u>19,455.38</u>
<b>3 Investments</b>		
<b>CURRENT</b>		
Reserve Bank Stock	13,000.00	13,000.00
	<u>13,000.00</u>	<u>13,000.00</u>
<b>4 Plant &amp; Equipment</b>		
Office Furniture & Equipment	46,981.22	46,981.22
Less: Accumulated Depreciation	(40,512.42)	(37,035.36)
<b>Total Plant &amp; Equipment</b>	<u>6,468.80</u>	<u>9,945.86</u>
<b>5 Retained Profits</b>		
Retained profits (accumulated losses) at the beginning of the financial year	301,925.10	266,292.17
Net Profit attributable to members of the Company	39,310.05	35,632.93
Retained profits (Accumulated losses) at the end of the financial year	<u>341,235.15</u>	<u>301,925.10</u>

The accompanying notes form part of these financial statements.  
This report is to be read in conjunction with the attached compilation report.

**NTEU - Sydney University Branch  
STATEMENT OF CASH FLOWS  
AS AT 30TH JUNE 2004**

	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<b>Notes to the Statement of Cash Flows</b>		
<b>Reconciliation of Cash</b>		
Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash on Hand	-	339.50
Cash at Bank	337,515.71	262,831.11
	<b>337,515.71</b>	<b>263,170.61</b>
<b>Reconciliation of Net Cash provided by Operating Activities to profit from ordinary activities after Income Tax</b>		
Operating profit (loss) after income tax	39,310.05	35,632.93
<b>Non-cash flows in Profit(Loss) from Ordinary Activities:</b>		
Depreciation	3,477.06	5,540.31
Increase (Decrease) in Income Taxes Payable	-	(605.00)
<b>Changes in Assets and Liabilities</b>		
Decrease (Increase) in Current Receivables	(1,128.23)	
Decrease (Increase) in Prepayments	1,432.57	(1,845.32)
Increase (Decrease) in Other Creditors	2,708.00	1,267.62
Increase (Decrease) in Current Provisions	8,095.11	-
Increase (Decrease) in GST Payable	-	290.44
Increase (Decrease) in Accrued Charges	8,206.82	(7,026.95)
<b>Cash flows from operations</b>	<b>62,101.38</b>	<b>33,254.03</b>

The accompanying notes form part of these financial statements.  
This report is to be read in conjunction with the attached compilation report.

**INDEPENDENT AUDITOR REPORT**

[The provisions of section 514 of the *Industrial Relations Act 1991* apply as regulations under section 282(3) of the *Industrial Relations Act 1996*]

I report that I have inspected and audited the accounting records of **National Tertiary Education Industry Union – University of Sydney Branch** in relation to the financial year of the organisation ended 30 June 2004 and report that in my opinion satisfactory accounting records were kept by the organisation in relation to the year, including:

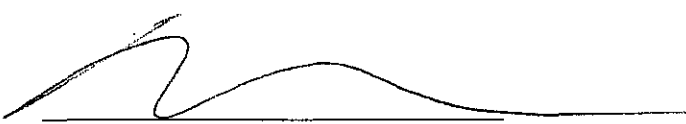
- 1) records of the resources and nature of the income of the organisation (including income from members);
- 2) records of the nature and purposes of the expenditure of the organisation; and

in my opinion the accounts and other statements prepared under section 510 of the *Industrial Relations Act 1991* in relation to the year were properly drawn up so as to give a true and fair view of:

- 1) the financial affairs of the organisation as at the end of the year; and
- 2) the income and expenditure, and surplus of the organisation for the year; and
- 3) all information, being information which was reasonably wanted for the purpose of this audit, which was required and sought by me or by any person authorised by me for the purpose of the audit, was provided.

I also understand that to the extent that there was any deficiency, failure or shortcoming in relation to the matters referred to above, I must report particulars and that those particulars, if any, which form part of this report, are attached

**Palmers Willoughby & Dunne**  
Registered Company Auditor Number 730

  
Peter. M. Power  
**Partner**  
Sydney  
14<sup>th</sup> February 2005

Suite 6, 13-15 Francis St  
Dee Why NSW 2099  
P.O. Box 1006  
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Visit our website at [www.pwwfinancial.com.au](http://www.pwwfinancial.com.au)



## **COMMITTEE OF MANAGEMENT OPERATING REPORT – NTEU SYDNEY UNIVERSITY BRANCH**

In accordance with section 254 of the Workplace Relations Act 1996, the Committee of Management present the operating report for the year ended 30 June 2004.

### **Principal Activities**

The principal activity of the Union was to provide a range of services to members.

### **Financial Results**

The surplus from operating activities for the year was \$39,310.05 (2003 surplus \$35,632.93).

The Union is exempt from paying income tax.

### **Review of Operations**

The result represents a favourable variance of \$3,677.12 in comparison to last year. The result for the year was considered satisfactory.

### **Significant Changes**

No significant changes in the state of affairs of the company have occurred during the financial year.

### **Rights of Members to Resign**

- i. A member may resign from membership by written notice addressed and delivered to the member's Division Secretary or Branch Secretary provided that:
  - (a) Where a written notice of resignation is received by a Division Secretary he or she shall as soon as practicable forward a copy of the notice of resignation to the appropriate Branch Secretary;
  - (b) Where a written notice of resignation is received by a Branch Secretary he or she shall as soon as practicable forward a copy of the notice of resignation to the relevant Division Secretary.
- ii. A notice of resignation from membership takes effect:
  - (a) where the member ceases to be eligible to become a member of the Union
    - (i) on the day on which the notice is received by the Union; or

- (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is later; or

- (b) in any other case:

- (i) at the end of two weeks, or if permitted by law three months after the notice is received by the Union; or

- (ii) on the day specified in the notice;

whichever is later.

- iii. Any dues payable but not paid by a former member in relation to a period before the member's resignation took effect, may be sued for and recovered in the name of the Union in a court of competent jurisdiction, as a debt due to the Union.
- iv. A notice delivered to a Division Secretary or Branch Secretary shall be taken to have been received by the Union when it was delivered.
- v. A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with sub-rule 1 of this rule.
- vi. A resignation from membership is valid even if it is not affected in accordance with this rule if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.
- vii. Cessation of payment of any dues, levies and other amounts by a member does not, of itself, terminate membership of the Union.

**To the best of our knowledge and belief,**

No officer or member of the organisation, by virtue of their office or membership of the National Tertiary Education Industry Union – Sydney University Branch is;

- i. A trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- ii. A director of a company that is the trustee of a superannuation entity or an exempt public sector superannuation scheme; and

Where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

**Prescribed Information**

- i. Number of members of the organization at 30/06/2004: 1683 (2003: 1667)
- ii. Employees of the Branch as at 30/06/2004: 3 (2003: 3)
- iii. Members of the Committee of Management as at 30/06/2004:

Michael Thomson; President  
Stuart Rosewarne  
Mel Slee  
Ros Bohringer  
Richard Black  
Jackie Fisher  
Barbara Chmielewski  
Chris Mumbulla  
Leona Charles  
Zelma Bone  
Tony Hickey

For and on behalf of the Committee of Management



-----  
**Michael Thomson**

**President**

Date:

**CERTIFICATE BY SECRETARY OR OTHER**  
**AUTHORISED OFFICER – NTEU SYDNEY**  
**UNIVERSITY BRANCH**

s268 of Schedule 1B Workplace Relations Act 1996

I, *Michael Thomson*, being the *President* of the *National Tertiary Education Industry Union – University of Sydney 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 24th January 2005; and
- That the full report was presented to a *general meeting of members* of the Branch on 14th February 2005; in accordance with section 266 of the RAO Schedule.

*Michael Thomson*

**Michael Thomson**

**President**

Date:





**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. M. Thomson  
Branch President  
National Tertiary Education Industry Union  
University of Sydney Branch  
Transient Building F12  
University of Sydney  
SYDNEY NSW 2006

Dear Mr. Thomson,

**Re: Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule)  
Financial reports for year ended 30 June 2004 - FR 2004/513**

Reference is made to the financial documents of the University of Sydney Branch of the National Tertiary Education Industry Union for the year ended 30 June 2004. The documents were lodged in the Industrial Registry on 2 March 2005.

I direct your attention to the following comments concerning the above reports and the financial reporting obligations under the RAO Schedule. Please note that these matters are generally advised for assistance in the future preparation of financial reports. With the exception of the comments concerning items 1 and 4(b), no further action is required in respect of the subject documents.

**1. Special purpose financial report**

A reporting unit is required by section 253(2) of the RAO Schedule to prepare a general purpose financial report from its financial records.

While in some cases, the contents of a special purpose financial report and a general purpose financial report might not be substantially different, the requirement to prepare a general purpose financial report is quite clear.

The first paragraph of the notes to the financial accounts indicates that a special purpose financial report was prepared for use by directors and members of the company.

The notes may have been mistakenly prepared by referring to the financial report as a special purpose financial report rather than as a general purpose financial report. If this is the case, would you please arrange for the auditor to produce amended notes indicating that the financial report is a general purpose financial report and forwarding such to this office with the dated and signed auditor's report as requested in item 4(b) of this letter.

If the notes have not been mistakenly prepared, could you please advise me in writing the reasons for the preparation of a special purpose financial report instead of a general purpose financial report.

## **2. Operating Report**

### **(a) Principal activity and results of principal activities**

I refer to the Operating Report, in particular to the “principal activity” and the “review of operations”. I note that s254(2)(a) of Schedule 1B requires the operating report to include a review of the reporting entities’ principal activities, the results of those activities and any significant changes in the nature of those activities.

The “principal activity” as listed in the operating report may not fully meet the requirements of s254(2)(a). Such requirement may be satisfied by indicating the objects of the reporting unit e.g. “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”.

Also in relation to the “review of operations” I suggest that this requirement contemplates reference in the operating report to results directly related to the principal activities as opposed to the reporting entities financial result, particularly as measured in dollar ‘surplus’ or ‘loss’ terms. Although this may not be stated explicitly in the text of the subsection, I think it is reasonable to infer this is what the legislators had in mind given that the subsection is referring primarily to the principal activities and secondly, the actual financial outcome is elaborated elsewhere in the financial documents, such as the Balance Sheet and/or the Profit and Loss statement.

### **(b) Membership of Committee of Management:**

The operating report is required to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position - refer regulation 159(c) of the RAO Regulations. The operating report should have provided the positions which members of the committee of management held during the reporting unit.

## **3. Committee of Management Statement**

**(a)** Paragraph 17 of the Industrial Registrar’s Reporting guidelines, as made under section 255 of the RAO Schedule states:

*“The committee of management statement must include declarations by the committee of management as to whether in the opinion of the committee of management:*

.....  
*(e)(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;*  
.....

The Committee of Management’s Statement has repeated the wording as provided in paragraph 17(e)(iv). Such statement should indicate whether or not the financial records have been kept in a consistent manner to each of the other reporting units of the organisation.

I suggest, if the records have been kept in a consistent manner to each of the organisation’s reporting units, that the words “where the organisation consists of 2 or more reporting units” be deleted.

(b) I note that paragraph 17(e)(vi) refers to section 272 of the RAO Schedule. Such reference should have been to section 273 of the RAO Schedule.

#### **4. Auditor's Report**

(a) Subsection 257(5) of the RAO Schedule now sets out the matters upon which an auditor is required to make an opinion on whether the GPFR is presented fairly in accordance with applicable Australian Accounting Standards and other requirements of the RAO Schedule. The following wording would satisfy the requirements:

*"In our opinion 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."*

(b) The auditor's report is undated.

Subsection 257(9) requires auditors reports to be dated as at the date that the auditor signs that report.

Would you please request the auditor to forward a dated and signed copy of the auditor's report to this office.

#### **5. Profit and loss statement**

The reporting guidelines made under section 255 of the RAO Schedule prescribe certain disclosure requirements in addition to those prescribed by Australian Accounting Standards. Items 11(g) and (h) of the guidelines read:

- (g) *employee benefits to holders of office of the reporting unit;*
- (h) *employee benefits to employees (other than holders of offices) of the reporting unit;"*

I have noted that the profit and loss statement includes an item shown as "Salaries" as an expense from ordinary activities. Future financial reports should show such salaries amounts as having been paid to either holders of office or employees as required by the reporting guidelines.

#### **6. Notice to members**

There should be included in the full set of financial documents and the concise report a notice drawing attention to provisions of the Act that prescribed information is available to members on request and which sets out a copy of subsections 272(1), (2) and (3) - refer subsection 272(5) of the Act and regulation 161(f).

#### **Outstanding Information**

Reference is made to our letter of 31 October 2003 requesting lodgement of a signed and dated auditor's report concerning the branch's financial documents for the year ended 30 June 2003 which were lodged in this office on 15 October 2003.

As a response does not appear to have been received, it is requested that the information required be forwarded to this office as soon as practicable, please.

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 7993 or by email at [larry.powell@air.gov.au](mailto:larry.powell@air.gov.au).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'L. Powell'.

Larry Powell  
Statutory Services Branch

10 March 2005

**NTEU University of Sydney Branch**

**A.B.N. 38 579 396 344**

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30TH JUNE 2004**

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**COMMITTEE OF MANAGEMENT STATEMENT –**  
**NTEU UNIVERSITY OF SYDNEY BRANCH**

*mt*

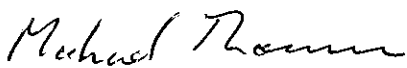
On the 24<sup>th</sup> January 2005 the Committee of Management of the *National Tertiary Education Industry Union – University of Sydney Branch* passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2004.

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 the year:
  - i. meetings of the committee of management were held in accordance with the rules of the organization 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 organization 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 organization 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 organization; 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 272 of the RAO Schedule.

For the Committee of Management;



**Michael Thomson**

**President**

Date: 29/1/05



**NTEU- Sydney University Branch  
PROFIT AND LOSS STATEMENT  
AS AT 30TH JUNE 2004**

	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
Commissions Received	850,808.74	778,755.36
Capitation Fees - NTEU	9,194.65	6,441.98
	<u>860,003.39</u>	<u>785,197.34</u>
<b>OTHER INCOME</b>		
Interest Received	15,429.15	13,270.10
Lease Rentals	0.00	1,892.32
Other Revenue	59.93	55.61
	<u>15,489.08</u>	<u>15,218.03</u>
<b>TOTAL INCOME</b>	<u><b>875,492.47</b></u>	<u><b>800,415.37</b></u>
<b>EXPENDITURE</b>		
Auditorts Remuneration	6,780.00	1,775.00
Bank Charges	267.97	323.78
Campaigns	-	(863.50)
Capitation Fees	635,071.50	602,760.11
Catering Expenses	4,171.52	3,691.88
Conference and Meetings	-	1,687.40
Depreciation	3,477.06	5,540.31
General Expenses	1,044.97	293.58
Insurance	1,337.25	798.54
Leasing Charges	4,262.84	3,234.32
Contribution to NSW Division - 2003 Year	7,300.00	-
Payroll Tax	7,441.04	7,047.96
Postage	1,034.39	568.64
Printing & Stationery	14,310.94	13,170.80
Repairs & Maintenance	317.27	-
Salaries	110,917.78	104,977.21
Staff Training & Welfare	242.00	363.64
Subscriptions	-	182.27
Superannuation Contributions	13,099.44	12,488.42
Telephone	5,605.32	(1,931.44)
Time Release Scheme	12,889.00	4,972.59
Travelling Expenses	6,612.13	3,700.93
<b>TOTAL EXPENDITURE</b>	<u><b>836,182.42</b></u>	<u><b>764,782.44</b></u>
<b>NET PROFIT</b>	<u><b>39,310.05</b></u>	<u><b>35,632.93</b></u>

The accompanying notes form part of these financial statements.  
This report is to be read in conjunction with the attached compilation report.

**NTEU - Sydney University Branch  
BALANCE SHEET  
AS AT 30TH JUNE 2004**

	Note	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash assets		337,515.71	263,170.61
Receivables	2	8,339.89	19,455.38
Investments	3	13,000.00	13,000.00
Prepayments		-	1,432.57
<b>TOTAL CURRENT ASSETS</b>		<b>358,855.60</b>	<b>297,058.56</b>
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Plant and equipment	4	6,468.80	9,945.86
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,468.80</b>	<b>9,945.86</b>
<b>TOTAL ASSETS</b>		<b>365,324.40</b>	<b>307,004.42</b>
<b>CURRENT LIABILITIES</b>			
Provision for Payroll Tax		1,353.10	-
Provision for Superannuation		9,202.33	2,460.32
GST payable		4,632.00	1,924.00
Provision for Income tax		(605.00)	(605.00)
Accrued Charges		9,506.82	1,300.00
<b>TOTAL CURRENT LIABILITIES</b>		<b>24,089.25</b>	<b>5,079.32</b>
<b>TOTAL LIABILITIES</b>		<b>24,089.25</b>	<b>5,079.32</b>
<b>NET ASSETS</b>		<b>341,235.15</b>	<b>301,925.10</b>
<b>EQUITY</b>			
Retained Profits	5	<b>341,235.15</b>	<b>301,925.10</b>

The accompanying notes form part of these financial statements.  
This report is to be read in conjunction with the attached compilation report.

**NTEU - Sydney University Branch**  
**STATEMENT OF CASH FLOWS**  
**AS AT 30TH JUNE 2004**

	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>Cash flows From Operating Activities</b>		
Receipts from Members	946,069.65	780,408.76
Interest Received	15,429.15	13,270.10
Payment to Suppliers & Employees	(124,017.22)	(116,483.99)
Interest & Other Cost of Finance Paid	(4,530.81)	(3,558.10)
Income Taxes Paid	-	(605.00)
General Administration Expenses & Direct Expenses	(770,849.39)	(639,777.74)
<b>Net Cash provided by (used in) operating activities</b>	<b>62,101.38</b>	<b>33,254.03</b>
<hr/>		
<b>Cash flows From Financing Activities</b>		
Proceeds from Borrowings	12,243.72	3,257.37
<b>Net Cash provided by (used in) Financing activities</b>	<b>12,243.72</b>	<b>3,257.37</b>
<hr/>		
Net increase (decrease) in cash held	74,345.10	36,511.40
Cash at the Beginning of The Financial Year	263,170.61	226,659.21
<b>Cash at the end of the year</b>	<b>337,515.71</b>	<b>263,170.61</b>

The accompanying notes form part of these financial statements  
This report is to be read in conjunction with the attached compilation report

**NTEU - Sydney University Branch**  
**STATEMENT OF CASH FLOWS**  
**AS AT 30TH JUNE 2004**

	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<b>Notes to the Statement of Cash Flows</b>		
<b>Reconciliation of Cash</b>		
Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash on Hand	-	339.50
Cash at Bank	337,515.71	262,831.11
	<b>337,515.71</b>	<b>263,170.61</b>
<b>Reconciliation of Net Cash provided by Operating Activities to profit from ordinary activities after Income Tax</b>		
Operating profit (loss) after income tax	39,310.05	35,632.93
<b>Non-cash flows in Profit(Loss) from Ordinary Activities:</b>		
Depreciation	3,477.06	5,540.31
Increase (Decrease) in Income Taxes Payable	-	(605.00)
<b>Changes in Assets and Liabilities</b>		
Decrease (Increase) in Current Receivables	(1,128.23)	
Decrease (Increase) in Prepayments	1,432.57	(1,845.32)
Increase (Decrease) in Other Creditors	2,708.00	1,267.62
Increase (Decrease) in Current Provisions	8,095.11	-
Increase (Decrease) in GST Payable	-	290.44
Increase (Decrease) in Accrued Charges	8,206.82	(7,026.95)
<b>Cash flows from operations</b>	<b>62,101.38</b>	<b>33,254.03</b>

The accompanying notes form part of these financial statements.  
This report is to be read in conjunction with the attached compilation report.

**NTEU - Sydney University Branch**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2004**

**1 Statement of Significant Accounting Policies**

This financial report is a special purpose financial report prepared for use by directors and members of the company. The directors have determined that the company is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AAS 4 :Depreciation of Non-Current Assets  
AAS 5 :Materiality  
AAS 8 :Events Occurring after Reporting Date  
AAS17 :Accounting for Leases

No other Australian Accounting Standards, Urgent Issues Group Consensus view or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

**Investments**

Investments are brought to account at cost or directors' valuation. Dividends and interests are brought to account when received.

**Property, Plant and Equipment**

Property, plant and equipment are carried at cost or independent valuation. All assets, excluding freehold land and buildings are depreciated over their useful lives to the company.

These notes are to be read in conjunction with the attached compilation report.

**NTEU - Sydney University Branch**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2004**

**Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value.

Leased assets are depreciated over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**Employee Benefits**

Contributions are made to an employee superannuation fund and are charged as expenses when incurred.

These notes are to be read in conjunction with the attached compilation report.

**NTEU - Sydney University Branch**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 30TH JUNE 2004**

	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<b>2 Receivables</b>		
<b>CURRENT</b>		
Loans - Solidarity Fund	6,798.91	11,742.63
Loan - NSW Division	-	7,300.00
Other debtors	1,540.98	412.75
	<b>8,339.89</b>	<b>19,455.38</b>
<b>3 Investments</b>		
<b>CURRENT</b>		
Reserve Bank Stock	13,000.00	13,000.00
	<b>13,000.00</b>	<b>13,000.00</b>
<b>4 Plant &amp; Equipment</b>		
Office Furniture & Equipment	46,981.22	46,981.22
Less: Accumulated Depreciation	(40,512.42)	(37,035.36)
<b>Total Plant &amp; Equipment</b>	<b>6,468.80</b>	<b>9,945.86</b>
<b>5 Retained Profits</b>		
Retained profits (accumulated losses) at the beginning of the financial year	301,925.10	266,292.17
Net Profit attributable to members of the Company	39,310.05	35,632.93
Retained profits (Accumulated losses) at the end of the financial year	<b>341,235.15</b>	<b>301,925.10</b>

The accompanying notes form part of these financial statements.  
This report is to be read in conjunction with the attached compilation report.

# PALMERS WILLOUGHBY & DUNNE

CHARTERED ACCOUNTANTS

## INDEPENDENT AUDITOR REPORT

R. G. PALMER, F.C.A.  
P. M. POWER, F.C.A.  
W. A. C. FENWICKE, F.C.A.

ASSOCIATE  
J. PALMER, F.C.A.

I report that I have inspected and audited the accounting records of **National Tertiary Education Industry Union – University of Sydney Branch** in relation to the financial year of the organisation ended 30 June 2004 and report that in my opinion satisfactory accounting records were kept by the organisation in relation to the year, including:

- 1) records of the resources and nature of the income of the organisation (including income from members);
- 2) records of the nature and purposes of the expenditure of the organisation; and

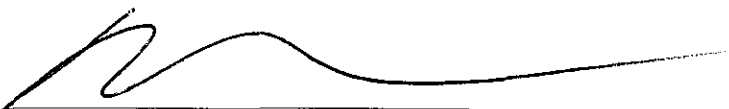
in my opinion the accounts and other statements prepared under section 273 of the *Workplace Relations Act 1996* in relation to the year were properly drawn up so as to give a true and fair view of:

- 1) the financial affairs of the organisation as at the end of the year; and
- 2) the income and expenditure, and surplus of the organisation for the year; and
- 3) all information, being information which was reasonably wanted for the purpose of this audit, which was required and sought by me or by any person authorised by me for the purpose of the audit, was provided.

I also understand that to the extent that there was any deficiency, failure or shortcoming in relation to the matters referred to above, I must report particulars and that those particulars, if any, which form part of this report, are attached

### **Palmers Willoughby & Dunne**

Registered Company Auditor Number 730



Peter. M. Power

**Partner**  
Sydney

Approved Auditor:	
▪	<i>A registered company auditor</i>
▪	<i>A member of The Institute of Chartered Accountants in Australia</i>
Registered Company Auditor Number:	730

Suite 6, 13-15 Francis St  
Dec Why NSW 2099  
P.O. Box 1006  
Dec Why N.S.W. 2099

9982 7200

9971 9878

info@pwwfinancial.com.au



Visit our website at [www.pwwfinancial.com.au](http://www.pwwfinancial.com.au)



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# **COMMITTEE OF MANAGEMENT OPERATING REPORT – NTEU SYDNEY UNIVERSITY BRANCH**

In accordance with section 254 of the Workplace Relations Act 1996, the Committee of Management present the operating report for the year ended 30 June 2004.

## **Principal Activities**

The principal activity of the Union was to provide a range of services to members.

## **Financial Results**

The surplus from operating activities for the year was \$39,310.05 (2003 surplus \$35,632.93).

The Union is exempt from paying income tax.

## **Review of Operations**

The result represents a favourable variance of \$3,677.12 in comparison to last year. The result for the year was considered satisfactory.

## **Significant Changes**

No significant changes in the state of affairs of the company have occurred during the financial year.

## **Rights of Members to Resign**

- i. A member may resign from membership by written notice addressed and delivered to the member's Division Secretary or Branch Secretary provided that:
  - (a) Where a written notice of resignation is received by a Division Secretary he or she shall as soon as practicable forward a copy of the notice of resignation to the appropriate Branch Secretary;
  - (b) Where a written notice of resignation is received by a Branch Secretary he or she shall as soon as practicable forward a copy of the notice of resignation to the relevant Division Secretary.
- ii. A notice of resignation from membership takes effect:
  - (a) where the member ceases to be eligible to become a member of the Union
    - (i) on the day on which the notice is received by the Union; or

(ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is later; or

(b) in any other case:

(i) at the end of two weeks, or if permitted by law three months after the notice is received by the Union; or

(ii) on the day specified in the notice;

whichever is later.

- iii. Any dues payable but not paid by a former member in relation to a period before the member's resignation took effect, may be sued for and recovered in the name of the Union in a court of competent jurisdiction, as a debt due to the Union.
- iv. A notice delivered to a Division Secretary or Branch Secretary shall be taken to have been received by the Union when it was delivered.
- v. A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with sub-rule 1 of this rule.
- vi. A resignation from membership is valid even if it is not affected in accordance with this rule if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.
- vii. Cessation of payment of any dues, levies and other amounts by a member does not, of itself, terminate membership of the Union.

**To the best of our knowledge and belief,**

No officer or member of the organisation, by virtue of their office or membership of the National Tertiary Education Industry Union – Sydney University Branch is;

- i. A trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- ii. A director of a company that is the trustee of a superannuation entity or an exempt public sector superannuation scheme; and

Where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

**Prescribed Information**

- i. Number of members of the organization at 30/06/2204: 1683 (2003: 1667)
- ii. Employees of the reporting unit as at 30/06/2004: 3 (2003: 3)
- iii. Members of the Committee of Management as at 30/06/2004:

Michael Thomson; President  
Stuart Rosewarne  
Mel Slee  
Ros Bohringer  
Richard Black  
Jackie Fisher  
Barbara Chmielewski  
Chris Mumbulla  
Leona Charles  
Zelma Bone  
Tony Hickey

For and on behalf of the Committee of Management



**Michael Thomson**

**President**

Date: 29/1/05

**CERTIFICATE BY SECRETARY OR OTHER  
AUTHORISED OFFICER – NTEU SYDNEY  
UNIVERSITY BRANCH**

s268 of Schedule 1B Workplace Relations Act 1996

I, *Michael Thomson*, being the *President* of the *National Tertiary Education Industry Union – University of Sydney 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 24<sup>th</sup> <sup>MT</sup> January 2005; and
- That the full report was presented to a *general meeting of members* of the reporting unit on 14<sup>th</sup> February 2005; in accordance with section 266 of the RAO Schedule. *MT*

*Michael Thomson*

**Michael Thomson**

**President**

Date: 14/2/05



**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

Ms. O. Nassaris  
Executive Officer  
National Tertiary Education Industry Union  
University of Sydney Branch  
NTEU Office  
Room 214, Transient Building  
University of Sydney  
SYDNEY NSW 2006

Dear Ms. Nassaris,

Schedule 1B - Workplace Relations Act 1996  
Extension of time to present to general meeting of members  
financial report of reporting unit  
(FR 2004/513)

I refer to your letter dated 7 December 2004, in relation to a request for an extension of time to present a copy of the financial report of the University of Sydney Branch of the National Tertiary Education Industry Union to a general meeting of 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 January 2005 to present to a general meeting of the members of the reporting unit a copy of the financial report prepared for the year ended 30 June 2004.

Yours sincerely,

A handwritten signature in dark ink, appearing to be 'T. Nassios', written over a faint, illegible stamp.

T. Nassios  
DEPUTY INDUSTRIAL REGISTRAR

8 December 2004

**POWELL, Larry**

**From:** Olivia Nassaris [nteu@nteu.usyd.edu.au]  
**Sent:** Tuesday, 7 December 2004 2:06 PM  
**To:** clency.lapierre@air.gov.au  
**Subject:** Request for extension

Dear Clency

As stated in our phone conversation today (7/12/04) the NTEU University of Sydney has not yet received the auditors report and therefore unable to hold meetings to present the financial reports.

The Branch employed a full time finance officer who went on leave in july for 4 weeks, during his time away it was discovered that he had not fulfilled his duties and failed to supply the auditors with the information they required. The branch wrote, emailed and called the ex-staff member (who effectively abandoned his employment) to return all papers of the branch that he had taken home. These included all bank statements (3 bank accounts) that had to be reissued, no electronic records or hard copy records of GST, PAYG, capitation payments. We have slowly managed to recover all documents from various places. Basically, this person failed to complete any of their duties.

Due to the time and effort to bring branch finances up to date, enter all information into MYOB, reorder statement and copies of our finances the audit is not complete and I will not be able to submit the report by 14 Jan 05. I am requesting an extension.

Kind regards

Olivia

--

---

Olivia Nassaris, Executive Officer  
NTEU University of Sydney Branch  
Rm 214, Transient Bldg F12,  
University of Sydney NSW 2006  
ph: 02 9351 2827 fax: 02 9351 7573  
nteu@nteu.usyd.edu.au

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**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: FR2004/513 - [283V-SYD]**

Ms J. Fisher  
Secretary  
National Tertiary Education Industry Union-  
University of Sydney Branch  
NTEU Office  
Room 214, Transient Building  
University of Sydney  
SYDNEY NSW 2006

Dear Ms Fisher

**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'<sup>72</sup>).

**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.

---

<sup>72</sup> 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](mailto: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**

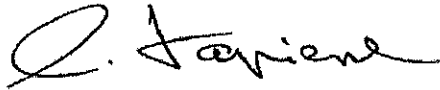
We recommend you and your accountant/auditor refer to the following documents on the Commission's website at [www.airc.gov.au](http://www.airc.gov.au):

- [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. Javien". The signature is fluid and cursive, with a large initial "Q" and a long, sweeping underline.

23 November 2004



**Ref: FR2004/513-[283V-SYD]**

Ms J. Fisher  
Secretary  
National Tertiary Education Industry Union-University  
of Sydney Branch  
NTEU Office  
Room 214, Transient Building  
University of Sydney  
SYDNEY NSW 2006

Dear Ms Fisher

### **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'<sup>1</sup>). 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.

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<sup>1</sup> 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](http://www.airc.gov.au)). When lodging the financial return please quote: **FR2004/513**.

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](mailto: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](http://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



Deputy Industrial Registrar  
9 August, 2004

**TIMELINE/ PLANNER**

Financial reporting period ending:	/ /	
<b>FIRST MEETING:</b> Prepare General Purpose Financial Report (including Committee of Management Statement in accordance with C of M resolution) and Operating Report - s253(1), s254(1)	/ /	<i>as soon as practicable after end of financial year</i>
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<i>within a reasonable time of having received the GPFR</i>
Provide full report free of charge to members.  (a) if the report is to be presented before a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting, or  (b) in any other case including where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of end of financial year.  <i>(obligation to provide full report may be discharged by provision of a concise report s265(1))</i>	/ /	
<b>SECOND MEETING:</b> Present full report to:  (a) General Meeting of Members - s266 (1),(2), or  (b) where rules of organisation allow, a Committee of Management meeting - s266 (3)	/ /	<i>within 6 months of end of financial year</i>
Lodge full report (including any concise report) in the Industrial Registry together with secretary's certificate (or other officer authorised by the rules of the organisation) - s268	/ /	<i>within 14 days of meeting</i>

**Note:** The legislation makes limited provision for extensions of time concerning the provision of the full report to members and the presentation of the full report to a general meeting etc however the maximum extra time allowed can be no more than one month.





**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.

<b>No</b>	<b>Document</b>	<b>✓</b>
<b>1</b>	<b>General Purpose Financial Report</b>	
	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?	
<b>2</b>	<b>Committee of Management Statement</b>	
	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?	
<b>3</b>	<b>Auditor's Report</b>	
	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?	
<b>4</b>	<b>Operating Report</b>	
	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?	
<b>5</b>	<b>Concise report*</b>	
<b>6</b>	<b>Certificate of Secretary or other Authorised Officer</b>	
	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 Officer<sup>1</sup>**

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]<sup>2</sup>*, referred to in s268 of the RAO Schedule; and
- that the *[full report **OR** concise report]<sup>3</sup>*, 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]<sup>3</sup>* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

<sup>1</sup>*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.

<sup>2</sup>*Only applicable where a concise report is provided to members*

<sup>3</sup>*Insert whichever is applicable*