



AUSTRALIAN INDUSTRIAL REGISTRY

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Phone: (03) 8661 7764
Fax: (03) 9654 6672

Mr. Bradley Astbury
President
National Tertiary Education Industry Union
University of Southern Queensland NTEU Office
Room T230 (Business Annex)
University of Southern Queensland
West Street
TOOWOOMBA QLD 4350

Dear Mr. Astbury,

**Re: Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule)
Financial Reports for year ended 30 June 2004
FR2004/518**

I have received the financial documents for the University of Southern Queensland Branch of the abovenamed organisation for the year ended 30 June 2004 lodged in the Melbourne Industrial Registry on 8 February 2005.

The documents have been filed.

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

1. Operating Report

The following defects or deficiencies are contained in this report required under s254 of the RAO Schedule.

(a) *Review of principal activities:*

The report should have contained a review of the reporting unit's principal activities during the financial year, the results of those activities and any significant changes in the nature of the activities. (Emphasis added). The information provided does not sufficiently address these matters.

(b) Significant changes in financial affairs:

The report must give details of any significant changes in the reporting unit's financial affairs during the year.

(c) Members advice:

Paragraph (l) of the Branch's Operating Report provides that a member may resign from membership by written notice addressed and delivered to the Branch Secretary. It is our view that this requirement necessitates, as a minimum, the inclusion of a reference to the specific rule in the rules of the reporting unit, which makes provision for the resignation of members. Of course, if you choose to reproduce the whole of the relevant rule that would clearly satisfy the requirements of that provision.

2. General Purpose Financial Report (GPFR)

Committee of Management Statement

Paragraph (e) (iv) of the above statement states "no orders made under section 272 of the RAO Schedule." This should have referred to Section 273.

Auditor's Report

The opinion of the auditor made under the auditor's report is expressed in terms previously required under the Act. Subsection 257(5) of the RAO Schedule now sets out the matters upon which an auditor is required to make an opinion. The following wording would satisfy the requirements of the Schedule:

"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."

Notes to Accounts

I note that the notes to the accounts provide the provisions of section 274 of the Workplace Relations Act 1988. The accounts should set out the provisions of subsections 272(1), (2) and (3) of the RAO Schedule. Would you please ensure those subsections are copied into the GPFR in the next financial report of the Branch.

Please do not hesitate to contact me on (03) 8661 7764 if you wish to discuss this letter.

A handwritten signature in black ink that reads "M Beare". The "M" is stylized with a large loop, and the "Beare" is written in a cursive script.

Marylyn Beare
Statutory Services Branch

17 February 2005

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

I Bradley Kenneth Astbury being the President of the NTEU USQ 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 7th January 2005; and
- that the full report was presented to a general meeting of members of the reporting unit on 28 January 2005; in accordance with section 266 of the RAO Schedule.

B. K. Astbury

Date: 4 February 2005

**National Tertiary Education Union
U.S.Q. Branch
General Purpose Financial Report for the Year Ended
30 June 2004**

	page
1. Statement of Financial Performance	2
2. Statement of Financial Position	3
3. Statement of Cash Flows	4
4. Notes to the Accounts	5
5. Operating Report	9
6. Committee of Management Certificate	11
7. Independent Audit Report	12

**National Tertiary Education Union
U.S.Q. Branch
Statement of Financial Performance
For the Year Ended 30 June 2004**

	NOTES	2004 \$	2003 \$
Income			
Capitation / Member Fees	1b	29,632.33	98,689.79
Less Capitation Paid to National Office	1b	(6,507.52)	(38,533.39)
Less Capitation Paid to Qld Division	1b	(7,437.16)	(45,023.28)
Branch Capitation Income		<u>15,687.65</u>	<u>15,133.12</u>
Other Income			
Interest		2,657.55	2,546.98
NTEU – National Office Recruiting Grant		7,289.00	0.00
Sundry Income		45.45	0.00
Total Branch Income		<u>25,679.65</u>	<u>17,680.10</u>
Expenditures			
APHEDA	1b	81.00	581.00
Audit Fees		140.00	135.00
Bank Charges and Debits Tax		86.55	128.95
Commission paid to USQ – payroll deductions		407.26	374.12
Conference Attendance		1,750.91	268.50
Meeting & Training Costs		182.46	381.35
Office Expenses (Stationery, Printing, Postage)		679.40	628.65
Promotional / Organising Costs		667.75	563.50
Strike Expenses		802.89	0.00
Subscriptions / Donations		240.91	150.00
Sundry		107.87	97.67
Travel		560.90	0.00
Wages – BEO / Recruiting		17,744.13	10,296.69
Workload Project		1,990.91	0.00
		<u>25,442.94</u>	<u>13,605.43</u>
SURPLUS OF INCOME OVER EXPENDITURES		<u>236.71</u>	<u>4,074.67</u>

**National Tertiary Education Union
U.S.Q. Branch
Statement of Financial Position
As at 30 June 2004**

	NOTES	2004 \$	2003 \$
Members' Funds			
Accumulated Funds - Beginning of Year		72,387.31	68,312.64
Surplus of Income for the year		236.71	4,074.67
Accumulated Funds Year End		<u>72,624.02</u>	<u>72,387.31</u>
 Represented by:			
Current Assets			
Cash	2(a)	64,597.12	74,930.04
Accounts Receivable	3	<u>12,841.19</u>	<u>6,716.95</u>
Total Assets		<u>77,438.31</u>	<u>81,646.99</u>
 Less Current Liabilities			
Accounts Payable	4	4,814.29	9,259.68
Borrowings	5	<u>0.00</u>	<u>0.00</u>
Total Liabilities		<u>4,814.29</u>	<u>9,259.68</u>
 Net Assets		 <u>72,624.02</u>	 <u>72,387.31</u>

**National Tertiary Education Union
U.S.Q. Branch
Statement of Cash Flows
For Year Ended 30 June 2004**

	NOTES	2004 \$	2003 \$
Cash flows from operating activities:			
Receipts from members & others		35,690.78	108,201.98
Payments to suppliers, affiliated bodies and employees		(48,681.25)	(110,242.99)
Interest received		<u>2,657.55</u>	<u>2,546.98</u>
Net Cash provided (used) by operating activities		<u>(10,332.92)</u>	<u>505.97</u>
Cash flows from investing activities:			
Payment for property, plant and equipment			
Proceeds from sale of property, plant and equipment			
Net cash used in investing activities		0.00	0.00
Cash flows from financing activities			
Proceeds from borrowings			
Repayment of borrowings			
Net cash used in financing activities		<u>0.00</u>	<u>0.00</u>
Net increase (decrease) in cash held		<u>(10,332.92)</u>	<u>505.97</u>
Cash at the beginning of the financial year		74,930.04	74,424.07
Cash at the end of the financial year	2(a)	<u>64,597.12</u>	<u>74,930.04</u>

**National Tertiary Education Union
U.S.Q. Branch
Notes to and forming part of the Financial Statements
For Year Ended 30 June 2004**

1 Statement of Significant Accounting Policies

In order to assist in an understanding of the figures presented, the following summarises the significant policies that have been adopted in the preparation of these financial statements.

a. Basis of Preparation

The financial statements have been prepared in accordance with the requirements of the Workplace Relations Act, 1996. The accounts have been prepared on the basis of historical costs and do not take into account changing money values, or except where stated, current valuations of non-current assets. The accounts have been prepared on an accrual basis.

b. Capitation / Membership Dues and the Goods and Services Tax

During the year a period of transition commenced, when the first steps were taken towards the centralisation of the administration of the financial affairs of the branch by the national office in Melbourne. In accordance with the *A New Tax System (Goods and Services Tax) Act 1999*, GST is levied on members fees. In previous years and in the first two months of this financial year, the USQ Branch of the NTEU collected GST on the member fees collected via payroll deductions made at USQ. This amount, less any input tax credits available to the Branch, was remitted to the National Office of the NTEU each month, which remitted the GST on a monthly basis to the Australian Tax Office. As a result of these arrangements, the accounts did not include the usual GST Payable or GST Receivable accounts, but the amount of GST payable at the end of the financial year was included in accounts payable, being shown separately in Note 4.

Under the new financial arrangements, USQ payroll deductions of membership dues are collected by the national office of the NTEU (not by the local branch) and they are responsible for the GST collected each month. As a result of these arrangements, the national office now remits to the branch (and the division office) their share of the membership dues and pays the monthly APHEDA deductions included in some members' payroll deductions. The branch also claims any input tax credits it is entitled to from the National Office. As a result of these arrangements, the accounts do not include the usual GST Payable or GST Receivable accounts, but the amount of GST Receivable at the end of the financial year is included in accounts receivable, being shown separately in Note 3.

The amounts included in the Statement of Financial Performance are shown net of the GST. The amounts included in the Statement of Financial Position as receivables and payables, to which GST applies, are shown at their gross value (i.e. including GST). All other amounts included in the Statement of Financial Position are shown net of the GST. The cash flows included in the cash flows from operating activities section of the Statement of Cash Flows are shown at their gross value.

**National Tertiary Education Union
U.S.Q. Branch
Notes to and forming part of the Financial Statements (cont.)
For Year Ended 30 June 2004**

1 Statement of Significant Accounting Policies (cont.)**c. Income Tax**

No liability exists for income tax as the Association is exempt from income tax under section 23(f) of the Income Tax Assessment Act.

2 Cash Flow Information**a. Reconciliation of cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2004	2003
	\$	\$
Cash on Hand - Petty Cash	100.00	100.00
Cash at Bank	2,497.12	2,830.04
Cash in Short Term Interest Bearing Deposits	62,000.00	72,000.00
	<u>64,597.12</u>	<u>74,930.04</u>

b. Reconciliation of surplus of income to net cash provided by operating activities

	2004	2003
	\$	\$
Surplus of Income for the year	236.71	4,074.67
Changes in Assets and Liabilities		
Increase (Decrease) in Payables	(4,445.39)	(1,064.21)
Decrease (Increase) in Receivables	(6,124.24)	(2,504.49)
Net Cash provided (used) by operating activities	<u>(10,332.92)</u>	<u>505.97</u>

**National Tertiary Education Union
U.S.Q. Branch
Notes to and forming part of the Financial Statements (cont.)
For Year Ended 30 June 2004**

3 Current Assets: Accounts Receivable

	2004	2003
	\$	\$
NTEU Qld Division	1,357.77	1,244.87
NTEU National Office	3,610.82	1,142.00
NTEU National Office – GST (input tax credits)	583.60	0.00
USQ Payroll - Members' Fees	0.00	4,330.08
Total Accounts Receivable	<u>5,552.19</u>	<u>6,716.95</u>

4 Current Liabilities: Accounts Payable

	2004	2003
	\$	\$
USQ – Commission on payroll	520.48	583.74
NTEU National Office – Capitation	0.00	3,247.22
NTEU National Office – GST	0.00	674.54
NTEU National Office – BEO Conference	447.53	0.00
NTEU Qld Division – Capitation	0.00	3,510.17
NTEU Qld Division – BEO wage invoice	3,846.28	1,202.01
APHEDA – Payable	0.00	42.00
Total Accounts Payable	<u>4,814.29</u>	<u>9,259.68</u>

5 Borrowings

The U.S.Q. Branch of the National Tertiary Education Union has no borrowings of any kind, nor does it have borrowing facilities in place.

**National Tertiary Education Union
U.S.Q. Branch
Notes to and forming part of the Financial Statements (cont.)
For Year Ended 30 June 2004**

6 Information to be Provided to Members or Registrar

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 274, which read as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under Sub-Section (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- (3) A Registrar may only make an application under Sub-Section (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

**National Tertiary Education Union
U.S.Q. Branch
For Year Ended 30 June 2004**

Operating Report

I, Geoff Cockfield, being the Officer responsible for keeping the accounting records of the National Tertiary Education Union, certify that as at 30 June 2004,

- (a) the attached financial statements show a true and fair view of the financial affairs of the Branch as at 30 June 2004;
- (b) a record has been kept of all monies paid by, or collected from, members of the Branch and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the Branch;
- (c) before any expenditure was incurred by the Branch, approval of the incurring of the expenditure was obtained in accordance with the rules of the Branch;
- (d) with regard to funds of the Branch raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
- (e) the number of members in the Branch was 228;
- (f) that the Branch has no employees. The Branch Organiser, who works .5 in the branch office, is an employee of the Queensland Division office. The Branch reimburses 50% of the Organisers salary to the Queensland Division;
- (g) no official of the Branch holds the position of superannuation trustee;
- (h) no loans were granted to persons holding office in the Branch;
- (i) the branch appoints Mr N.A Hughes of EFM Consultancy Services , as the auditor of the Branch's 2003/4 accounts;
- (j) the principle activities of the branch continued to be advising and representing members of the NTEU at USQ in individual disputes, improving on members pay and conditions through enterprise bargaining negotiations at USQ and maintaining the Branch's ability of represent members at USQ through Union recruitment activity;
- (k) The branch committee comprised of Brad Astbury (President), Ian Eddington (Secretary), Caroline Hamlyn (Vice President General), Peter Birnie (Vice President Academic), Geoff Cockfield (Treasurer), Sheila King, Kevin McDougall, Shirley Tyler, Julianne Stewart, Catherine Buckley and Ray Hingst

- (1) A member may resign from membership by written notice addressed and delivered to the member's Division Secretary or Branch Secretary.

Signature: *G. Cockfield*
Name: *Geoff Cockfield*
Date: *21/12/04*

**National Tertiary Education Union
U.S.Q. Branch
For Year Ended 30 June 2004**

Committee Of Management Statement

On 21 December 2004 the Committee of Management of National Tertiary Education Union University of Southern Queensland 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:

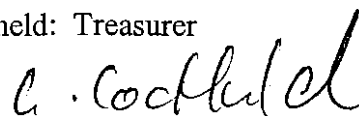
The Committee of Management declares in relation to the GPFR that in its opinion:

- (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 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;
 - (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;
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations;
 - (iv) the organisation consists of only one reporting unit with no requests made under Sections 272 and no orders made under section 272 of the RAO Schedule.

For Committee of Management: Geoff Cockfield

Title of Office held: Treasurer

Signature:



Date: 21 December 2004

**National Tertiary Education Union
U.S.Q. Branch**

Independent Audit Report

To the members of the National Tertiary Education Union

SCOPE

I have audited the financial accounts of the National Education Union U.S.Q. Branch for the year ended 30 June 2004 as set out on pages 2 to 7. The Union's Committee of Management and Accounting Officer are responsible for the preparation and presentation of the financial accounts and the information they contain. I have conducted an independent audit of these financial accounts in order to express an opinion on them to the members of the Union.

My audit has been conducted with Australian Auditing Standards to provide reasonable assurance as to whether the financial accounts are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial accounts, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial accounts are presented fairly in accordance with Australian accounting concepts and standards and statutory requirements so as to present a view of the National Tertiary Education Union, U.S.Q. Branch, which is consistent with my understanding of its financial position and the results of its operations. No recovery of wages activity was undertaken by the reporting unit.

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

AUDIT OPINION

I have received all the information and explanations I required for the purposes of my audit.

In my opinion:

1. There were kept by the Union, in respect of the year under review, satisfactory accounting records detailing the sources and nature of the income of the Union (including income from members) and the nature and purposes of expenditure; and

**National Tertiary Education Union
U.S.Q. Branch**

**Independent Audit Report
(Continued)**

2. The attached accounts and statement, including the Certificates of the Committee of Management and the Accounting Officer, are prepared in accordance with Section 253 of the Workplace Relations Act, 1996. The accounts set out on pages 2 to 7 have been prepared from the accounting records of the Union and are properly drawn up so as to give a true and fair view of:
- (a) the financial affairs of the Union as at 30 June 2004; and
 - (b) the income and expenditure and surplus of the Union for the year ended on that date,
- and are in accordance with Statements of Accounting Concepts and applicable Accounting Standards.

N. A. Hughes

N. A. Hughes B Com, PhD, CPA
Principal EFM Consultancy Services
Auditor

31st December 2004