



Ms Maxine Darnell
Branch Secretary
National Tertiary Education Industry Union
University of New England Branch

email: nteuune@bigpond.com

Dear Ms Darnell

Re: Financial Report for the National Tertiary Education Industry Union, University of New England Branch for year ended 30 June 2007 – FR2007/342

Further to the correspondence received from the Branch of 22 July 2008 the financial report has now been filed.

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

Operating Report

Trustee of superannuation entity

Subsection 254(2)(d) of Schedule 1 requires details of any *officer or member* of the reporting unit who is a trustee, or a director of a company that is a trustee, of a superannuation entity or an exempt public sector superannuation scheme to be provided in the operating report “*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*”.

If no officers or members of the reporting unit is a trustee of a superannuation entity, the preferred wording to satisfy the s254(2)(d) is:

“No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.”

Committee of Management Statement

Consistent with other branches

Item 17(e)(iv) of the Reporting Guidelines which have been issued by the Industrial Registrar requires a declaration by the Committee of Management that:

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.

Section 242 of the RAO Schedule determines what constitutes a ‘reporting unit’ for the purposes of the Act:

“Organisations not divided into branches

(2) Where an organisation is not divided into branches, the reporting unit is the whole of the organisation.

Organisations divided into branches

(3) Where an organisation is divided into branches, each branch will be a reporting unit unless a certificate issued by the Industrial Registrar stating that the organisation is, for the purpose of compliance with this Part, divided into reporting units on an alternative basis (see section 245) is in force.”

If the records have been kept in a consistent manner to each of the organisation’s reporting units, the following statement can be made in the Committee of Management Statement:

“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.”

Recovery of wages activity

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

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

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

Notes to financial Reports

Notice under Section 272(5) of the RAO Schedule

As you are aware, the Notes to the GPFR are required to include a notice drawing attention to the fact that information that is prescribed by the RAO Regulations is available to members on request.

The wording of section 272(5) of the RAO Schedule is as follows (emphasis added):

*“(5) A general purpose financial report prepared under section 253, a concise report prepared under section 265 and a report prepared under subsection 270(4) must include a notice drawing attention to subsections (1), (2) and (3) of this section **and setting out those subsections.**”*

Would you please ensure in future that the Notes contain this extract of the RAO Schedule, word for word:

“272 Information to be provided to members or Registrar

(1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

Note: This subsection is a civil penalty provision (see section 305)."

Management Representation Letter

The Management Representation Letter addressed to Forsyths Auditors, dated 21 December 2007 and filed with the full report is not required to be filed with the full report as a part of the current reporting requirements of the RAO Schedule.

Audit Report

Auditor's Qualification

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

Presentation of the full report to a general meeting of members

The full report was presented and endorsed at a general meeting of the NTEU members on 20 February 2008. Section 266(1) requires the reporting unit to present the full report to a general meeting of the members of the reporting unit within the period of 6 months starting at the end of the financial year (or such longer period as is allowed by a Registrar under subsection 265(5)).

Could you ensure that in future years the required timescales are adhered to. The Registry has produced a fact sheet which sets out in diagrammatic form the requisite sequence. This document can be accessed at: http://www.airc.gov.au/legislation/fact_sheets/09_fact_sheet.pdf.

Documents not lodged in Registry within 14 days of meeting

The documents were presented to a General Meeting of Members on 20 February 2008 but were not lodged in the Registry until 11 March 2008.

In future financial years the documents should be lodged in the Industrial Registry within 14 days of the meeting at which they were presented - see s268 of the RAO Schedule.

Steps in the Reporting Process

In preparation for future reports, I have attached a diagrammatic summary of the financial reporting process and time-limits contained in fact sheet 9. It can be found at the following link - http://www.airc.gov.au/legislation/fact_sheets/09_fact_sheet.pdf

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'K Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan

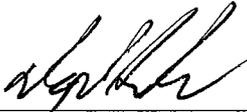
Statutory Services Branch
23 July 2008

NATIONAL TERTIARY EDUCATION
INDUSTRY UNION

Certificate of Secretary

I, **Nigel Andrew**, being the Secretary of the **National Tertiary Education Industry Union – UNE Branch** certify:

- the Auditor's Report was dated on 25 January 2008;
- the full report was sent to members on 29 January 2008;
- a general meeting of members at which the report was presented was held 20 February 2008.



Nigel Andrew
Branch Secretary

Signed at Armidale this 18th day of July 2008





Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7764
Fax: (03) 9655 0410
Email: kevin.donnellan@air.gov.au

Ms Maxine Darnell
Branch Secretary
National Tertiary Education Industry Union
University of New England Branch

email: nteuune@une.edu.au

Dear Ms Darnell

Re: Financial Report for the National Tertiary Education Industry Union, University of New England Branch for year ended 30 June 2007 – FR2007/342

Thank you for your correspondence of 8 July 2008.

I now have a number of different documents and accompanying documentation on file. Accordingly I would be pleased if you could confirm that:

- the Auditor's Report was dated on 25 January 2008;
- the full report was sent to members on 29 January 2008;
- a general meeting of members at which the report was presented was held 20 February 2008.

I would appreciate if you could have an officer of the Branch complete a designated officer's certificate attesting to the above sequence of events. On receipt of an appropriate certificate I will file the report.

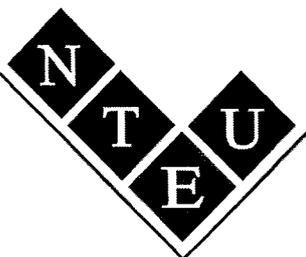
If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Kevin Donnellan', written in a cursive style.

Kevin Donnellan

Statutory Services Branch
15 July 2008



25 June 2008

Kevin Donnellan
Statutory Services Branch
Australian Industrial Registry
GPO Box 1994
MELBOURNE 3001



Dear Kevin,

**Re: Financial Report for the National Tertiary Education Union, University of
New England Branch for year ended 30 June 2007**

The NTEU UNE Branch Committee of Management discussed and resolved on 25 January that the audit report be sent to NTEU UNE Branch members for approval at a general meeting to be called for 20 February. As the Committee of Management meeting was scheduled to meet on 25 January, the Auditor has mistakenly put this as the date for approval and signing, not realising that the date of signing should be after approval by members at a general meeting. This is why the date on the Certificate of Secretary, Committee of Management Statement and the Operating Report has been altered from 25 January to 20 February when the general meeting was held.

The financial statements were sent to members on 29 January with the notice of the general meeting for 20 February. The meeting of 20 February approved the audit report.

Please see below, verification of the above statement by Dr Maxine Darnell, former Branch Secretary, currently Interim President.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'G. Obbens'.

Gloria Obbens
Branch Organiser

Verified by:
A handwritten signature in black ink, appearing to be 'Maxine Darnell'.

DR MAXINE DARNELL

2ND July 2008

**NATIONAL TERTIARY EDUCATION
INDUSTRY UNION – UNE BRANCH**

**Independent Auditor's Report
For the Year Ended 30 June 2007**

Scope

We have audited the accompanying general purpose financial report of the National Tertiary Education Industry Union – UNE Branch, for the year ended 30 June 2007 comprising Income Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and Notes to the Financial Statements. The Union's Committee of Management are responsible for the preparation and presentation of the financial report and the information it contains. We have performed an independent audit of this financial report in order to express an opinion on it to the members of the Union.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with statutory requirements so as to present a view which is consistent with our understanding of the Union's financial position and performance as represented by the results of its operations and cash flows.

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

Audit Opinion

In our opinion:

- (a) the financial report is properly drawn up so as to present fairly the financial position of the Union as at 30 June 2007 and its performance for the year ended on that date; and
- (b) the financial report is in accordance with the provisions of the Workplace Relations Act 1996 and Australian Accounting Standards.

Forsyths

Forsyths Business Services Pty Ltd



**Paul Cornall
Principal**

Auditor Registration No:

Signed at Armidale this 25th January 2008



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7764
Fax: (03) 9655 0410
Email: kevin.donnellan@air.gov.au

Ms Maxine Darnell
Branch Secretary
National Tertiary Education Industry Union
University of New England Branch

email: nteuune@une.edu.au

Dear Ms Darnell

Re: Financial Report for the National Tertiary Education Industry Union, University of New England Branch for year ended 30 June 2007 – FR2007/342

I acknowledge receipt of the financial report of the National Tertiary Education Industry Union, University of New England Branch for the year ended 30 June 2007. The documents were lodged with the Registry on 11 March 2007.

The documents lodged include a Designated Officer's Certificate (does not include the date of the resolution passed by the Committee), an Operating Report, a Committee of Management Statement (the date of the resolution is blank) and an Auditor's Report all previously dated 25 January 2008, but now dated 20 February 2008. If these dates are correct then obviously the document lodged could not be the documents provided to members on 29 January 2008 referred to in the accompanying correspondence from Ms Obbens, the Branch organiser. I also note she states that the Committee of Management resolution was passed on 22 January 2008 and that the documents were provide to members on 29 January 2008 and presented to a general meeting of members on 20 February 2008.

I cannot reconcile the above information so that I could file the full report. I would be pleased if you would contact me on (03) 8661 7764 to discuss this matter.

Yours sincerely

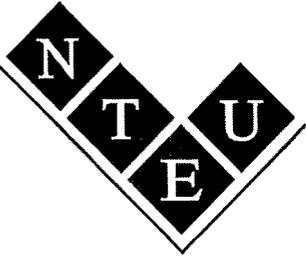
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Kevin Donnellan

Statutory Services Branch
27 March 2008

FR2001/342

National
Tertiary
Education
Industry
Union



University of New England Branch

NTEU Black Rose Building University of New England
ARMIDALE 2351 ph: 02 6773 3175 fax: 02 6773 3973

Email: nteuune@une.edu.au
www.nteu.org.au/bd/une

5 March 2008

Statutory Services Branch
Australian Industrial Registry
Level 5 Nauru House
80 Collins Street
MELBOURNE 3001

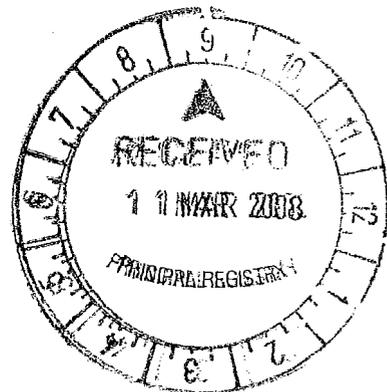
Please find enclosed the audited financial statements for the University of New England Branch of the National Tertiary Education Union for the financial year 2006-2007.

The Audit Report and Financial Statements were approved by the Committee of Management on 22 January 2008, sent to branch members on 29 January 2008 and endorsed at a General Meeting of NTEU members on 20 February 2008.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G. Obbens', written over a horizontal line.

Gloria Obbens
Branch Organiser
NTEU UNE Branch



**NATIONAL TERTIARY EDUCATION
INDUSTRY UNION –
UNE BRANCH**

Financial Accounts & Certificates

For the Year Ended 30 June 2007

**NATIONAL TERTIARY EDUCATION
INDUSTRY UNION – UNE BRANCH**

**Operating Report
For the Year Ended 30 June 2007**

In accordance with Section 254 of the workplace Relations Act 1996 (“the Act”), your Committee of Management reports as follows:

Principal Activities

The principal activity of the Branch during the year was that of a registered trade union. No significant change occurred in the nature of those activities during the year.

Operating Result

The operating result of the Branch for the year ended 30 June 2007 was a deficit of \$7,580 (2006 deficit: \$2,085). No provision for tax was necessary as the Branch is considered exempt.

Significant Changes

There was no significant change in the financial affairs of the Branch during the year.

Rights of Members

In accordance with Section 174 of the Act, members have the right to resign their membership under the NTEU Rules as follows:

11.1 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; and*
- (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.*

Other Prescribed Information

In accordance with Regulation 159 of the Workplace Relations (Registration & Accountability of Organisations) Regulations:

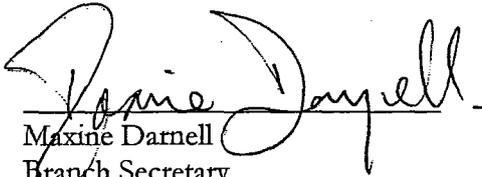
- (a) The number of persons that were at the end of the financial year recorded in the register of members for Section 230 of the RAO Schedule and who are taken to be members of the Branch under Section 244 of the RAO Schedule was 452;
- (b) The number of persons who were at the end of the financial year employees of the Branch including both full-time employees measured on full-time equivalent basis was 0.75; and

**NATIONAL TERTIARY EDUCATION
INDUSTRY UNION – UNE BRANCH**

Certificate by Secretary

I, **Maxine Darnell**, being the Secretary of the **National Tertiary Education Industry Union - UNE Branch** certify:

- that the documents lodged herewith are copies of the full report, referred to in section 268 of the RAO Schedule;
- that the full report was provided to members on; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on in accordance with Section 266 of the RAO schedule.


Maxine Darnell
Branch Secretary

Signed at Armidale this ^{25th} ~~January~~ 2008


20th February

**NATIONAL TERTIARY EDUCATION
INDUSTRY UNION - UNE BRANCH**

**Operating Report
For the Year Ended 30 June 2007 (continued)**

(c) The names of those who have been members of the Committee of Management of the Branch at any time during the financial year and the periods for which he or she held officer were:

| Name | Period |
|-------------------|--------------------|
| Argent, Neil | 1/7/06 to 30/6/07 |
| Barker, Lorina | 1/10/06 to 30/6/07 |
| Blackbourn, Fran | 1/7/06 to 30/6/07 |
| Bleile, Bea | 1/7/06 to 30/9/06 |
| Bongiorno, Frank | 1/7/06 to 30/6/07 |
| Cannon, Wendy | 1/10/06 to 30/6/07 |
| Creed, Debbie | 1/7/06 to 30/6/07 |
| Darnell, Maxine | 1/7/06 to 30/6/07 |
| de la Motte, Gill | 1/10/06 to 30/6/07 |
| Forrest, Rhonda | 1/7/06 to 30/6/07 |
| Haynes, Cathy | 1/7/06 to 30/6/07 |
| Hays, Terry | 1/10/06 to 30/6/07 |
| Kellett, John | 1/7/06 to 14/2/07 |
| Nigel, Andrew | 1/10/06 to 30/6/07 |
| Werren, Kip | 1/10/06 to 30/6/07 |

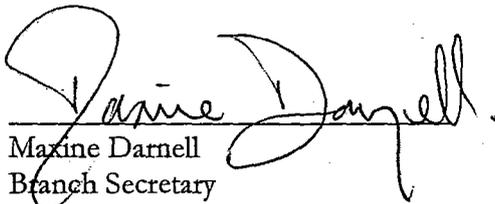
Other Relevant Information

Nil

Signed for and on behalf of the Committee of Management

25th 

Date: ~~1 January~~ 2008
20th February


Maxine Darnell
Branch Secretary

**NATIONAL TERTIARY EDUCATION
INDUSTRY UNION – UNE BRANCH**

**Independent Auditor's Report
For the Year Ended 30 June 2007**

Scope

We have audited the accompanying general purpose financial report of the National Tertiary Education Industry Union – UNE Branch, for the year ended 30 June 2007 comprising Income Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and Notes to the Financial Statements. The Union's Committee of Management are responsible for the preparation and presentation of the financial report and the information it contains. We have performed an independent audit of this financial report in order to express an opinion on it to the members of the Union.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with statutory requirements so as to present a view which is consistent with our understanding of the Union's financial position and performance as represented by the results of its operations and cash flows.

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

Audit Opinion

In our opinion:

- (a) the financial report is properly drawn up so as to present fairly the financial position of the Union as at 30 June 2007 and its performance for the year ended on that date; and
- (b) the financial report is in accordance with the provisions of the Workplace Relations Act 1996 and Australian Accounting Standards.

Forsyths

Forsyths Business Services Pty Ltd



**Paul Cornall
Principal**

Auditor Registration No:

Signed at Armidale this

25th *January 2008*

December 2007

20th February 2008



**NATIONAL TERTIARY EDUCATION
INDUSTRY UNION – UNE BRANCH**

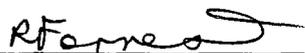
**Committee of Management Statement
For the Year Ended 30 June 2007**

On the Committee of Management of the National Tertiary Education Industry Union – UNE Branch passed the following resolution in relation to the financial report of the reporting unit for the financial year ended 30 June 2007.

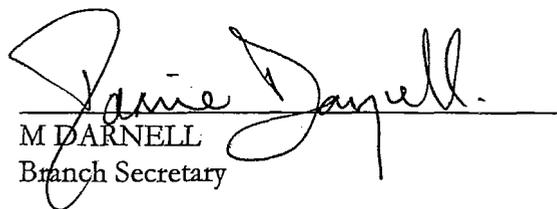
The Committee of Management declares in relation to the financial report that in its opinion:

- (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 financial report relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the Branch;
 - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation including the rules of the Branch;
 - (iii) the financial records of the Branch have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations;
 - (iv) the information sought in any request of a member of the Branch or a Registrar duly made under Section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (v) there has been compliance with any order for inspection of financial records made by the Commission under Section 273 of the RAO Schedule.

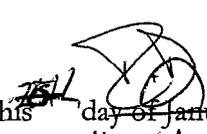
The certificate is in accordance with a resolution passed by the committee of management of the organisation in relation to the matters to be stated in the certificate and is signed on behalf of the committee of management.



R FORREST
Branch President



M DARNELL
Branch Secretary

Signed at Armidale this ~~15th~~  day of ~~January~~ 2008
20th February

**NATIONAL TERTIARY EDUCATION
INDUSTRY UNION – UNE BRANCH**

**Balance Sheet
As at 30 June 2007**

| | Note | 2007 \$ | 2006 \$ |
|----------------------------------|------|---------------|---------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 30,797 | 51,798 |
| Trade and other receivables | 2 | <u>14,672</u> | <u>2,041</u> |
| Total Current Assets | | <u>45,469</u> | <u>53,839</u> |
| NON-CURRENT ASSETS | | | |
| Other financial assets | 3 | 10 | 10 |
| Property, plant and equipment | 4 | <u>4,142</u> | <u>2,279</u> |
| Total Non-Current Assets | | <u>4,152</u> | <u>2,289</u> |
| TOTAL ASSETS | | <u>49,621</u> | <u>56,128</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 5 | 16,866 | 17,495 |
| Provisions | 6 | <u>16,975</u> | <u>15,273</u> |
| Total Current Liabilities | | <u>33,841</u> | <u>32,768</u> |
| TOTAL LIABILITIES | | <u>33,841</u> | <u>32,768</u> |
| NET ASSETS | | <u>15,780</u> | <u>23,360</u> |
| EQUITY | | | |
| Accumulated surplus | | <u>15,780</u> | <u>23,360</u> |

The accompanying notes form part of these financial statements

**NATIONAL TERTIARY EDUCATION
INDUSTRY UNION – UNE BRANCH**

**Statement of Changes in Equity
For the Year Ended 30 June 2007**

| | Retained Earnings \$ | Total \$ |
|--------------------------------|-------------------------------------|---------------------|
| At 1 July 2005 | 25,445 | 25,445 |
| Surplus/(Deficit) for the year | <u>(2,085)</u> | <u>(2,085)</u> |
| At 30 June 2006 | <u>23,360</u> | <u>23,360</u> |
| Surplus/(Deficit) for the year | <u>(7,580)</u> | <u>(7,580)</u> |
| At 30 June 2007 | <u>15,780</u> | <u>15,780</u> |

The accompanying notes form part of these financial statements

**NATIONAL TERTIARY EDUCATION
INDUSTRY UNION – UNE BRANCH**

**Income Statement
For the Year Ended 30 June 2007**

| | 2007 \$ | 2006 \$ |
|---|----------------|----------------|
| INCOME | | |
| Capitation fees | <u>187,547</u> | <u>212,944</u> |
| OTHER INCOME | | |
| Interest received | 350 | 328 |
| Sundry | <u>3,926</u> | <u>745</u> |
| | <u>4,276</u> | <u>1,073</u> |
| | <u>191,823</u> | <u>214,017</u> |
| EXPENDITURE | | |
| Auditor's remuneration – audit and review of financial report | 3,000 | 2,940 |
| Bank charges | 70 | 55 |
| Depreciation | 1,262 | 569 |
| Entertainment expenses | - | 567 |
| Insurance (including worker's compensation) | 1,213 | 1,240 |
| Capitation fees | 112,188 | 135,602 |
| Payroll tax | 3,149 | 2,834 |
| Petty cash expenditure | 1,355 | 1,254 |
| Photocopier rental | 4,740 | 2,707 |
| Postage, printing and stationery | 1,569 | 1,405 |
| Provision for employee entitlements | 1,702 | 2,889 |
| Repairs and maintenance | 701 | 1,633 |
| Building Lease | 7,121 | 685 |
| Employee wages | 51,132 | 52,516 |
| Superannuation contributions | 6,725 | 4,779 |
| Telephone | 1,609 | 826 |
| Workshop expenses | <u>1,866</u> | <u>3,601</u> |
| | <u>199,403</u> | <u>216,102</u> |
| NET SURPLUS/(DEFICIT) FOR THE YEAR | <u>(7,580)</u> | <u>(2,085)</u> |

The accompanying notes form part of these financial statements

**NATIONAL TERTIARY EDUCATION
INDUSTRY UNION – UNE BRANCH**

**Cash Flow Statement
For the Year Ended 30 June 2007**

| | Notes | 2007 \$ | 2006 \$ |
|---|-------|------------------|------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Receipts from members | | 192,497 | 237,372 |
| Interest received | | 350 | 328 |
| Other | | 3,926 | 745 |
| Payments to suppliers and employees | | <u>(214,559)</u> | <u>(236,343)</u> |
| Net cash provided by (used in) operating activities | 7 | <u>(17,876)</u> | <u>2,102</u> |
| CASH FLOWS FROM INVESTING ACTIVITES | | | |
| Repayment of loans | | - | 345 |
| Fixed asset purchases | | <u>(3,125)</u> | <u>(2,124)</u> |
| Net cash provided by (used in) investment activities | | <u>(3,125)</u> | <u>(1,779)</u> |
| Net increase in cash held | | (21,001) | 323 |
| Cash at beginning of the financial year | | <u>51,798</u> | <u>51,475</u> |
| Cash at end of the financial year | 7 | <u>30,797</u> | <u>51,798</u> |

The accompanying notes form part of these financial statements

**NATIONAL TERTIARY EDUCATION
INDUSTRY UNION – UNE BRANCH**

**Notes to the Financial Report
For the Year Ended 30 June 2007**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are for National Tertiary Education Industry Union – UNE Branch, which is a Union (created under the Workplace Relations Act 1996), domiciled in Australia.

This financial report is a general purpose financial report prepared in order to satisfy the financial report preparation requirements of the members and the Workplace Relations Act 1996 and NSW Industrial Relations Act 1996.

The financial report is a general purpose financial report, which has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report has been prepared on an accruals basis and is based on historical costs unless otherwise stated.

The financial report complies with certain Australian accounting standards, which include Australian equivalents to International Financial reporting Standards (“AIFRS”). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (“IFRS”).

(a) Information to be provided to members or Registrar

In accordance with requirements of the Workplace Relations Act 1996, a member of the Union, or a Registrar, may apply to the Union for specified prescribed information in relation to the organisation.

The Union shall, on application made by a member of the organisation or a Registrar, make the specific information available to the member or Registrar in such manner, and within such time, as is prescribed.

A Registrar may only make an application 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.

(b) Provision for Employee Entitlements

Provision has been made in the financial report for the Union’s liability for accrued annual leave and long service leave arising from services rendered by employees to balance date. The assessment of probability of payment, calculation of net present values and inclusion of on-costs have not been included in the provisions as the Management Committee believes the adjustment would not be material to the financial report.

**NATIONAL TERTIARY EDUCATION
INDUSTRY UNION – UNE BRANCH**

**Notes to the Financial Report
For the Year Ended 30 June 2007 (continued)**

(c) Income Tax

No provision has been made in the financial report for income tax on the basis that the Union is exempt under Section 50-15 of the Income Tax Assessment Act 1997 (formerly Section 23(f) of the Income Tax Assessment Act 1936).

(d) Fixed assets

Fixed assets are stated in the financial report at historical cost less, where applicable, any accumulated depreciation.

Office furniture and equipment

Office Furniture and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of office furniture and equipment is reviewed annually by the Branch's Management Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount of plant and equipment for non-profit entities is the current replacement cost discounted to current asset condition.

Depreciation

The depreciable amount of all fixed assets, is depreciated on a straight-line basis over their useful lives to the Union commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

| Class of Fixed Asset | Depreciation Rate |
|--------------------------------|-------------------|
| Office furniture and equipment | 20-30% |

(e) Contingent Liabilities

The members of the Committee of Management are unaware of any contingent liability, the effect of which may be material in relation to the financial report.

(f) Events Subsequent to Balance Date

No event has arisen subsequent to balance date, the effect of which may be material in relation to the financial report.

(f) Economic Dependency

The Union derives all of its capitation fee revenue from the University of New England or its related entities.

**NATIONAL TERTIARY EDUCATION
INDUSTRY UNION – UNE BRANCH**

**Notes to the Financial Report
For the Year Ended 30 June 2007 (continued)**

(g) Impairment of asset

At each reporting date, the Union reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and discounted replacement value, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(i) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**NATIONAL TERTIARY EDUCATION
INDUSTRY UNION – UNE BRANCH**
Notes to the Financial Report
For the Year Ended 30 June 2007 (continued)

| | 2007 \$ | 2006 \$ |
|--|---------------|---------------|
| 2. TRADE AND OTHER RECEIVABLES | | |
| Current | | |
| Sundry debtors | 14,672 | 2,041 |
| | <u>14,672</u> | <u>2,041</u> |
| 3. OTHER FINANCIAL ASSETS | | |
| Non-Current | | |
| NECU Ltd – shares | 10 | 10 |
| | <u>10</u> | <u>10</u> |
| <p>The fair value of unlisted available-for-sale financial assets cannot be reliably measured as there is no market value information and under present New England Credit Union regulations could only be redeemed for their face value At the 30 June 2007. As a result, all unlisted investments are reflected at cost. Unlisted available-for-sale financial assets exist within active markets and could be disposed of if required</p> | | |
| 4. PROPERTY, PLANT AND EQUIPMENT | | |
| Office furniture and equipment | 9,929 | 6,803 |
| Less: Accumulated depreciation | (5,787) | (4,524) |
| | <u>4,142</u> | <u>2,279</u> |
| 5. TRADE AND OTHER PAYABLES | | |
| Current | | |
| NTEU creditors | 8,300 | 9,624 |
| Sundry creditors | 7,713 | 7,055 |
| GST payable | 853 | 816 |
| | <u>16,866</u> | <u>17,495</u> |
| 6. PROVISIONS | | |
| Current | | |
| Provision for annual leave | 7,441 | 6,791 |
| Provision for long service leave | 9,534 | 8,482 |
| | <u>16,975</u> | <u>15,273</u> |

**NATIONAL TERTIARY EDUCATION
INDUSTRY UNION – UNE BRANCH**

**Notes to the Financial Report
For the Year Ended 30 June 2007 (continued)**

| | 2007 | 2006 |
|---|-----------------|---------------|
| | \$ | \$ |
| 7. CASH FLOW INFORMATION | | |
| a. Reconciliation of Cash | | |
| Cash at bank | <u>30,797</u> | <u>51,798</u> |
| | <u>30,797</u> | <u>51,798</u> |
| b. Reconciliation of Net Cash provided by Operating Activities to Surplus/(Deficit) for the year | | |
| Surplus/ (Deficit) for the year | (7,580) | (2,085) |
| Non-cash flows in profit from ordinary activities: | | |
| Depreciation | 1,262 | 569 |
| Changes in assets and liabilities: | | |
| (Increase)/decrease in receivables | (12,631) | 2,849 |
| Increase/(decrease) in creditors and accruals | 629 | (3,087) |
| Increase/(decrease) in provisions | <u>1,702</u> | <u>3,856</u> |
| Net cash provided by operating activities | <u>(17,876)</u> | <u>2,102</u> |

8. Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Transactions with related parties included:

Capitation fees are paid to the Union Branches State body and calculated base don a percentage of capitation fees the Union Branch receives in the year. These capitation fees are used to fund State and Federal Union operations.

**NATIONAL TERTIARY EDUCATION
INDUSTRY UNION – UNE BRANCH**
Notes to the Financial Report
For the Year Ended 30 June 2007 (continued)

9. Financial Instruments

a. Financial Risk Management

The Union's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable. The main purpose of those financial instruments is to raise finance for the Union's operations.

The Union does not have any derivative instruments at 30 June 2007.

(i) Treasury Risk Management

The Union's Committee of Management do not believe the Union has any significant Treasury risks. Cash is only held in bank accounts or on hand for operational purposes.

(ii) Financial Risks

The main risks the Union is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

Interest rate risk is managed with floating rate cash balances.

Foreign currency risk

The Union is not exposed to fluctuations in foreign currencies.

Liquidity risk

The Union manages liquidity risk by monitoring forecast cash flows.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Union has a material credit risk exposure to one receivable being outstanding capitation fees from the UNE.

Price risk

The Union is not exposed to any material commodity price risk.

b. Interest Rate Risk

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, only relates to its bank account which is held at floating interest rates. Current interest rate as at 30 June 2007 for the bank was 3%.

All other financial instruments are non-interest bearing.

c. Net Fair Values

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

**NATIONAL TERTIARY EDUCATION
INDUSTRY UNION – UNE BRANCH**
Notes to the Financial Report
For the Year Ended 30 June 2007 (continued)

10. Change In Accounting Policy

The following Australian Accounting Standards have been issued or amended to the entity but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

| AASB Amendment | Standards Affected | Outline of Amendment | Application date of the standard | Application date for Group |
|--|---|--|----------------------------------|----------------------------|
| AASB 2005-10 Amendments to Australian Accounting Standards | AASB 1: First-time adoption of AIFRS AASB 4: Insurance Contracts AASB 101: Presentation of Financial Statements AASB 114: Segment Reporting AASB 117: Leases AASB 133: Earnings per share AASB 1023: General Insurance Contracts AASB 1038: Life Insurance Contracts AASB 139: Financial Instruments: Recognition and Measurement | The disclosure requirements of AASB 132: Financial Instruments: Disclosure and Presentation have been replaced due to the issuing of AASB 7: Financial Instruments: Disclosures in August 2005. These amendments will involve changes to financial instrument disclosures within the financial report. However, there will be no direct impact on amounts included in the financial report as it is a disclosure standard. | 1 January 2007 | 1 July 2007 |
| AASB 7 Financial Instruments: Disclosures | AASB 132: Financial Instruments: Disclosure and Presentation | As above. | 1 January 2007 | 1 July 2007 |

NATIONAL TERTIARY EDUCATION INDUSTRY UNION

21 December 2007

Mr P Cornall
Audit Partner
Forsyths
PO Box 114
ARMIDALE NSW 2350

Dear Sirs

Pursuant to your request and in connection with your examination of the General Purpose Financial Statements of the National Tertiary Education Industry Union for the year ended 30 June 2007, we submit the following representations in respect of the Union, after making appropriate enquiries and according to the best of our knowledge and belief:

General

1. We believe that, in all material respects, the financial report is presented fairly in accordance with the requirements of applicable Accounting Standards and other mandatory professional reporting requirements, especially applicable Australian equivalents to International Financial Reporting Standards (A-IFRS).
2. In selecting the appropriate Accounting Standards, policies and disclosures for preparation of the annual financial statements we have considered the substance of the underlying transactions as well as their form. All material and/or contentious issues, which management or the Union members have discussed in the course of preparing the financial statements and the resolution of such issues, have been discussed with you.
3. All financial records and related data have been made available for inspection. All material transactions have been properly recorded in the accounting records underlying the general purpose financial statements.
4. There have been no changes in accounting policies or application of those policies that would have a material effect on the financial statements, except as disclosed in the general purpose financial statements.

Compliance with laws and regulations

5. We are not aware of any breaches or possible breaches of relevant legislation, contracts or agreements. Except as disclosed to you, there have been no communications from regulatory authorities concerning non-compliance with, or deficiencies in, operating practices.
6. In respect to operations during the year, we have complied with government regulations including, where applicable, Occupational Health and Safety (OH&S), taxation (including GST), environmental protection requirements, contractual obligations and insurance obligations.
7. We have notified you of any violations or possible violations of laws or regulations, the effects of which should be considered for disclosure in the financial report or as a basis of recording a contingent liability.

Internal Controls

8. Adequate systems of internal control exist to ensure that:
 - (a) we record all material transactions in the accounting records underlying the financial report;
 - (b) we minimised the risk of irregularities (fraud, other illegal acts or errors) occurring and was able to detect them should they occur; and
 - (c) we minimised the risk of significant breaches of legislation and other mandatory requirements occurring and detected significant breaches of legislation and other mandatory requirements should they occur.
9. No irregularities (fraud or misappropriation) have occurred involving management or employees who have significant roles in the system of internal control.
10. We have reported to you all significant facts relating to any frauds or suspected frauds known to management that may have affected the Union.
11. If applicable, we have assessed any uncorrected misstatements resulting from either fraud or error are, in management's opinion, immaterial, both individually and in aggregate.

Assets

12. There were no deficiencies or encumbrances attaching to the title of the Union's assets at year end other than those reflected in the general purpose financial statements.
13. The additions to non-current assets, as recorded in the books of the Union, represent the cost of additional non-current assets, additions or improvements to existing non-current assets, or replacement thereof. All units of non-current assets which have been replaced, sold, dismantled or otherwise disposed of, or which are permanently unusable, have been removed from non-current assets in the financial report.
14. Adequate provision for depreciation and amortisation, determined in a manner consistent with that of the preceding year, has been made to write off depreciable assets over their useful life having regard both to the current year's provisions and the accumulated amount provided to date. No circumstances have arisen which render adherence to the existing basis of depreciation misleading or inappropriate.
15. All known assets of the Union at balance date were recorded in the books of account as at that date and the Union has satisfactory title to those assets.
16. We have assessed the impairment of all non-current assets, and we have written down the book values of non-current assets where they exceeded impaired value.
17. As part of our review of asset impairment:
 - (a) we have reviewed Union's significant assets and/or operations for impairment events (such as decline in market values, cash flow or accounting losses with regard to an asset or cash generating unit, obsolescence, physical damage etc.);
 - (b) where an impairment event has occurred we have assessed whether there is a material impairment for adjustment in the financial statements;
 - (c) we have determined the Union's applicable entrepreneurial activities and cash generating units for impairment analysis if required; and

- (d) for non-entrepreneurial activities the Union has assessed the deprival value of assets with potential impairment. As part of this assessment the Union has determined that if the asset was lost or deprived that the asset would be replaced.

Receivables and doubtful/bad debts

18. Receivables with concessional terms, where applicable, (such as low interest, interest free and deferred repayment plans) have been identified and discounted to impaired value. The impairment discount has been subsequently amortised using the effective interest method outlined in accounting standards.
19. The allowance for doubtful debts is sufficient to provide for any losses on realisation of receivables and we have written off all known bad debts. The assessment of receivable impaired value included net present value calculations on expected recoveries.

Liabilities

20. All liabilities which have arisen or which will arise out of the activities of the Union to the end of the financial year have been included in the general purpose financial statements.
21. There were no material contractual commitments for capital expenditure at year end not included in the general purpose financial statements or the notes thereto.
22. Employee provisions have been measured at net present value if entitlements are not expected to be utilised in the coming 12 months. Vested employee entitlements have been disclosed as current liabilities.
23. Provisions have only been recognised if the Union has a contractual or constructive obligation (e.g. public announcement, communication to staff and Union approval) existed at balance date.

Taxation

24. We have calculated and recognised all applicable taxes (including GST) according to relevant tax legislation.
25. There are no activities that invoke the anti-avoidance provisions of the relevant taxation legislation.

Accounting Misstatements detected by Audit

26. We acknowledge that uncorrected misstatements have been brought to our attention.
27. We have considered the impact of uncorrected misstatements on the financial report. We conclude uncorrected misstatements are quantitatively and qualitatively immaterial when considered individually or in aggregate.
28. We have also considered the impact of uncorrected misstatements from previous periods and conclude that the aggregate amount of uncorrected misstatements from previous and current periods is immaterial.

Contingent Assets and Liabilities

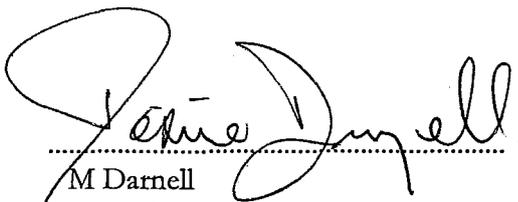
29. We have recognised or disclosed in the financial report:
- (a) arrangements involving restrictions on cash balances, compensating balances and line-of-credit or similar arrangements
 - (b) agreements to repurchase assets previously sold; and
 - (c) material or contingent liabilities or assets.

Other

30. All details concerning related party transactions, including remuneration of directors and key management personnel and related amounts receivable or payable have been correctly recorded in the accounting records and have been properly disclosed in the financial statements or the notes thereto, where such disclosure is necessary for the fair presentation of the financial statements.
31. In our opinion, there are no factors, which would impinge upon the appropriateness of the financial report continuing to be presented on a going concern basis.
32. No events have occurred subsequent to year end which would require adjustment to or disclosure in the general purpose financial statements.
33. The Union has no plans or intentions that may materially affect the book value or classification of assets and liabilities at year end.
34. Other than as detailed in the general purpose financial statements, the Union is not aware of any breach or non-compliance with the terms of any contractual arrangements, however caused, which could initiate claims on the Union which would have a material effect on the general purpose financial statements.
35. The Union has an established procedure whereby an officer reviews at least annually the adequacy of insurance cover on all assets and insurable risks. This review has been performed, and where it is considered appropriate, assets and insurable risks of the Union are adequately covered by insurance.
36. The minutes of the Union and committee meetings made available to you are a complete and authentic record of all meetings since 1 July 2007 to the date of this letter.
37. All matters arising from the Union meetings and committee meetings which impact on the general purpose financial statements have been adequately disclosed therein.
38. There have been no changes to, or introduction of new, information systems or incidents which occurred during the year which could adversely impact the basic completeness and accuracy of the information systems and underlying data.

Yours faithfully


.....
R Forrest
Branch President


.....
M Darnell
Branch Secretary