



FAIR WORK
AUSTRALIA

22 October 2012

Mr Denis Shelverton
Secretary, Hobart Branch
Musicians' Union of Australia
PO Box 579
MOONAH TAS 7009

Dear Mr Shelverton

**Lodgement of Financial Documents - Musicians' Union of Australia, Hobart Branch -
for year ended 30 June 2004 (FR2004/555),**

I refer to the abovementioned financial statements and accounts which were lodged on
19 October 2012.

The documents have been filed.

Yours sincerely,

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

cc. Mr Terry Noone, Federal Secretary

Stephen Kellett
Regulatory Compliance Branch
Fair Work Australia
Level 8, 80 William St
East Sydney NSW 2011

Musicians' Union of Australia
Hobart Branch
PO Box 579
MOONAH Tas 7009

Dear Sir,

**Certificate of Secretary
S268 of the Fair Work (Registered Organisations) Act 2009**

I, Denis Shelverton, being the Secretary of the Musicians' Union of Australia (Hobart Branch), certify that :-

- the documents lodged herewith are a copy of the Full Report referred to in s268 of the Fair Work (Registered Organisations) Act 2009 for the year ended 30 June 2004;
- the documents being lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 of the Fair Work (Registered Organisations) Act 2009 ;
- the documents were posted to the Branch's website on 6 September 2012 replacing the previous version of the report to which members attention had already been drawn by newsletter distributed on 13 July 2012;
- the full report was presented to a second meeting of the Committee of Management held on 25 September 2012.
- amended Committee of Management Statements were posted to the website on 5 October 2012 and a notice to members was sent on 12 October 2012;

Yours faithfully,



Denis Shelverton
Secretary
Musicians' Union of Australia (Hobart Branch)

Date:.....16.10.2012

**MUSICIANS' UNION OF
AUSTRALIA
HOBART BRANCH**

Financial Statements

2003/2004

**B Fairbairn
29 Brisbane Street
LAUNCESTON TAS 7250
Tel: 03 63317699**

Email: [REDACTED]

**THE MUSICIANS/ UNION OF AUSTRALIA
HOBART BRANCH
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004**

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MUSICIANS' UNION OF AUSTRALIA – HOBART BRANCH

OPERATING REPORT

This Operating Report covers the activities of the Musicians' Union of Australia – Hobart Branch, for the financial year ended 30 June 2004, the results of those activities and any significant changes in the nature or those activities during the year.

Principal Activities of the Branch

The principal activities of the Hobart Branch during the past year fell into the following categories:

Implementation of the decisions of the Branch Committee and Federal Council
Industrial support including representation of individual members grievances, advice on legal and legislative matters.

The administration of Federal and State Awards.

Communications to members via newsletters and to the broader community.

The Branch has consulted with the Tasmanian, State and Federal Unions in the development of policy with regard to working musicians.

1. Right of Members to Resign

All members of the Union have the right to resign from the Union in accordance with Rule 14 (1) and 14(3) of the Union Rules, (and Section 264 of the Workplace Relations Act 1996).

Membership of the Branch

There were 138 members of the Branch as at 30 June 2004.

Employees of the Hobart Branch

As at the 30 June 2004 the Branch employed one employee.

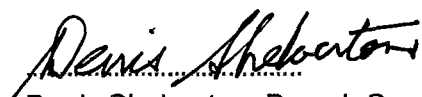
Hobart Branch Committee of Management

The following persons were members of the Branch Committee of Management, during the year ended 30 June 2004.

President	Michael Kinsella
Vice President	Chris Norris
Vice President	Doug Fletcher
Treasurer	Peter Davidson
Secretary	Denis Shelverton

Committee Members	Gerald Andrews
	Tony Gregs
	Phil Lawler
	Michael Fortescue
	Michael Johnston
	David Burgess

Trustees	Geoff McCann
	Tony Gregs
	John Young


Denis Shelverton, Branch Secretary
18.10.2012

Musicians' Union of Australia
Hobart Branch
PO Box 579
MOONAH Tas 7009

Email: [REDACTED]

COMMITTEE OF MANAGEMENT STATEMENT

On 25 September 2012 the Committee of Management of the Musicians' Union of Australia - Hobart Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the Musicians' Union of Australia - Hobart Branch 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 Musicians' Union of Australia - Hobart Branch 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 Musicians' Union of Australia; and
 - (ii) the financial affairs of the Musicians' Union of Australia - Hobart Branch have been managed in accordance with the rules of the organization; and
 - (iii) the financial records of the Musicians' Union of Australia - Hobart Branch have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units 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.


Michael Kinsella
President
Musicians' Union of Australia- Hobart Branch

Date: 25.9.2012

Musicians Union of Australia

Hobart Branch

Ph: 62286142

Fax: 62286142

Mob: [REDACTED]

Email: [REDACTED]

STATEMENT OF THE ACCOUNTING OFFICER FOR THE YEAR ENDED 30 JUNE 2004

I, Denis Shelverton, being the officer responsible for keeping the accounting records of the Musicians' Union of Australia, Hobart Branch, certify that as at 30 June 2004, the number of members of the organisation was 138.

In my opinion:-

The accompanying Accounts are drawn up so as to give a true and fair view of the financial affairs of the organisation as at 30 June 2004.

A record has been kept of all moneys paid by, or collected from, members of the organisation, and all moneys so paid or collected have been credited to the bank accounts to which those moneys are to be credited, in accordance with the rules of the organisation.

Before any expenditure was incurred by the organisation, approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation.

Funds of the organisation raised by compulsory levies or voluntary contributions by members, or funds other than the General Fund, were operated in accordance with the rules of the organisation, and no payments were made out of any such fund for a purpose other than those for which the fund was operated.

No loan or other financial benefits, other than remuneration in respect of their employment with the organisation, were made to persons holding office in the organisation.

The register of members of the branch was maintained in accordance with the Act.

The Accounts have been prepared in accordance with applicable Australian Accounting Standards.

Signed at Hobart...*16th* day of...*10th* 2012

Denis Shelverton
Denis Shelverton

Secretary – Musicians Union of Australia Hobart Branch

MUSICIANS' UNION OF AUSTRALIA HOBART BRANCH
BALANCE SHEET AS AT 30 JUNE 2004

	2003	2004
ACCUMULATED FUNDS		
Balance at 1 July 2003	43,956	39,018
Add net surplus for 2003/04	<u>4,638</u>	<u>38,149</u>
	39,318	77,167
Less Benevolent payments in year (Note 3)	300	276
Less Historical balancing	0	4999
Balance as at 30 June 2004	<u>\$39,018</u>	<u>\$71,894</u>
Represented by :_		
CURRENT ASSETS		
Benevolent Fund Island State Credit Union	3,044	7,924
Commonwealth Bank of Australia – General A/c	862	2,472
Commonwealth Bank of Australia – No. 2 A/c	199	1,498
Sundry Debtor (Note 6)	1,250	0.00
	<u>5,354</u>	<u>11,894</u>
Less CURRENT LIABILITIES		
Sundry Creditors (Note 4)	6,843	0.00
Travel Grant on hold	2,000	0.00
	<u>8,843</u>	<u>0.00</u>
NET WORKING CAPITAL	-3,489	0.00
Plus NON-CURRENT ASSETS		
Land & Buildings (at cost) (Note 6)	60,000	60,000
Furniture Equipment (At cost) (Note 5)	8,322	0.00
Less Provision for Depreciation	1,217	0.00
	<u>61,217</u>	<u>71,894</u>
Less NON-CURRENT LIABILITY		
Building Loan (Melbourne Branch) (Note 6)	19,355	0.00
Less repaid 2002/03 (incl. Interest)	-645	0.00
	<u>18,710</u>	<u>0.00</u>
Net Assets at 30 June 2004	<u>\$39,018</u>	<u>\$71,894</u>

MUSICIANS' UNION OF AUSTRALIA HOBART BRANCH

STATEMENT OF INCOME & EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2004

	2003	2004
INCOME	\$	\$
Proceeds – Garage Sale	545	0
Interest	60	371
Membership	20,465	16,366
PPCA Project	3,182	1,705
Rent, Federal Office travel & storage (Note 6)	1,500	6,275
Proceeds of property sale & shop deposit	0	128,500
Stale cheque written back	200	0
Other	0	2,786
TOTAL INCOME	\$25,952	\$156,003
OPERATING EXPENSES		
Artist fees		2,640
Administration expenses	8,535	40,417
PPCA project	3,802	1,110
Salaries	15,718	10,717
Travelling	2,630	550
Shop purchase	0	42,102
Building loan balance repayment	0	20,318
TOTAL OPERATING EXPENSES	\$30,685	\$117,854
SURPLUS (or DEFICIENCY) FOR YEAR	(\$4,733)	\$38,149

MUSICIANS' UNION OF AUSTRALIA HOBART BRANCH

SCHEDULE OF EXPENDITURE YEAR ENDED 30 JUNE 2004

	2003	2004
	\$	\$
Accounting & Audit fees	275	0
Advertising	65	0
Bank & Government Charges	112	1,241
Building expenses (Repairs & Maintenance)	100	0
Conference & Travel expenses	290	550
Depreciation	200	0
Federal Sustentation	0	0
Freight & storage – Federal Records	488	0
Insurance	454	883
Legal Costs (Building purchase)	0	0
Meeting expenses	490	481
Miscellaneous Expenses	200	14,681
PPCA Project	3802	1,110
Petty Cash	85	450
Postage	324	533
Printing, Stationery & Office Expenses	50	176
Rates & Land Tax	1,228	1,879
Power	504	511
Secretary's Car Allowance	2,340	2,370
Secretary's Salary	15,718	10,717
Superannuation	1,486	5,376
Telephone/Fax	2,475	2,808
Building loan repayment	0	20,318
Artists fees	0	2,640
Australian Taxation Office	0	2,629
Office equipment	0	868
Subscriptions	0	5,531
Shop purchase	0	<u>42,102</u>
TOTAL OPERATING EXPENDITURE	<u>\$30,685</u>	<u>\$117,854</u>

MUSICIANS' UNION OF AUSTRALIA HOBART BRANCH

STATEMENT OF CASH FLOWS YEAR ENDED 30 JUNE 2004

	2003	2004
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
INFLOWS –		
Membership etc.	24,701	153,282
Sponsorship for artists	20,610	2,350
Interest	61	371
OUTFLOWS –		
Payments to employee and suppliers	(\$31,231)	(51,684)
Artists' remuneration	(20,460)	(4,997)
NET CASH PROVIDED BY (or used in)		
OPERATING ACTIVITIES	(6,319)	(0)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans Raised (Less Repayments)	(-860)	(0)
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Property (Real estate purchased)	(0)	(42,102)
Equipment Purchased	(0)	(868)
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Benevolent Fund Payments	(300)	(276)
NET INCREASE (DECREASE) IN CASH HELD	(7,479)	38,149
Cash at beginning of the year	11,587	39,018
= CASH AT THE END OF THE YEAR	<u>\$4,105</u>	<u>\$77,167</u>

MUSICIANS UNION OF AUSTRALIA HOBART BRANCH

Statement of Changes in Equity

	Retained Profits	Total
Balance at 1/7/2003	11587	
Profit attributable to the members	(7479)	4108
Balance at 30/6/2004	39018	
Profit attributable to the members	38149	77167

MUSICIANS' UNION OF AUSTRALIA HOBART BRANCH

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004**

1. For the purposes of the Statement of Cash Flows, Cash includes:
- (i) Cash on hand,
 - (ii) Cash at bank and financial institutions
 - (iii) Bank overdraft (if any).

Reconciliation of Cash Flows used in operating with the
Net Deficiency shown in the Statement of Income & Expenditure

	2003	2004
	\$	\$
Net Surplus (Deficiency) as per Statement of Income & Expenditure	(4,638)	38,149
Non Cash Flows included above:		
Depreciation	200	0
Increase (Decrease) in Sundry Creditors	(631)	0
(Increase) Decrease in Sundry Debtors	<u>(1,250)</u>	<u>0</u>
Cash Flows provided (used) in operating	<u>(6,319)</u>	<u>0</u>

The Statement of Cash Flows has been prepared in accordance
With AAS 26 "Statement of Cash Flows"

2. The activities of the Association are exempt from income tax.
3. Benevolent Fund:
During the year 2003/2004, one benefit, amounting to \$276 was paid.
4. Sundry Creditors as at 30 June 2004 comprise:

PAYG Tax	0.00
Freight & Storage	0.00
Telstra	0.00
Superannuation	0.00
	<u>\$0.00</u>

The Secretary's accrued Long Service Leave as at 30 June 2004 amounting to approx. \$4,850 is not included in the accounts.

MUA Federal office records are stored for which the Hobart Branch receives a monthly rental of \$125.00.

MUSICIANS' UNION OF AUSTRALIA HOBART BRANCH

**DEPRECIATION SCHEDULE
OFFICE EQUIPMENT AND FURNITURE AS AT 30 JUNE 2004**

	MARKET VALUE \$	WRITTEN VALUE \$
5 Namco style 4 drawer filing cabinets	600	0
1 Brownbuilt 4 drawer filing cabinet (old)	50	0
1 Brownbuilt 4 drawer filing cabinet (damaged)	10	0

1 Namco 2 door cabinet (match file cabinets)	100	0
1 Namco 2 drawer file cabinet	30	0
1 Desk file cabinet	50	0
1 Office desk (modern style)	150	0
1 Typist return desk	10	0
1 Board room table	150	0
12 Office chairs	120	0
1 486/66 computer with drive and screen	526	0
1 Brother laser 600 printer plus cartridge	260	0
1 Sharp phone fax	240	0
1 Canon copier and cabinet	350	0
1 Oil panel heater	150	0
1 Vulcan Tangi heater	10	0
1 Electric adding machine	10	0
1 Wall Clock	10	0
1 Wooden bookcase 6 ft	50	0
3 Window blinds verticals	180	0
1 Desk Calculator	10	0
1 Nokia mobile phone	80	0
1 Vacuum cleaner	30	0
300 Music charts	4,250	0
1 Coffee Table	30	0
1 Optima computer and accessories	690	0
	<u>\$8,146</u>	<u>\$0</u>

MUSICIANS UNION OF AUSTRALIA – HOBART BRANCH

Notes to the Accounts

For the year ended 30 June 2004

1. Summary of Significant Accounting Policies

a) Basis of Preparation of Financial Reports

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Fair Work (Registered Organisation) Act 2009.

The financial report has been prepared in accordance with the following applicable Accounting Standards and Urgent Issues.

AASB 1031 Materiality

AASB110 Events after the Balance Sheet Date

AASB 108 Accounting Policies, changes in Accounting Estimates and Errors

The financial report is prepared in accordance with the historical convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative Information is reclassified where appropriate to enhance comparability.

b) Income Tax

The Union is exempt from Income tax pursuant to the Income Tax Assessment Act. Accordingly Australian Accounting Standard AASB 112 has not been applied and no provision for income tax has been included in the Accounts.

c) Goods and Services Tax

The union is not registered for Goods and Services Tax.

d) Non-Current Assets – Freehold Land and Buildings

Includes the Hobart Branch Office situated at 113 Main Road, Moonah Tasmania.

Depreciation, using the diminishing value method, has been provided for in the Accounts on all Non-Current Assets, so as to allocate their cost over their estimated remaining useful life.

e) Employee Entitlements

Provision is made for the Union's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages, salaries, annual and long service leave which will be settled after one year, have been measured at their nominal amount. Contributions made by the Union to employee superannuation funds are charged as expenses when incurred.

f) Subscriptions

Members subscription Income has been brought to account on a cash basis during the course of the year.

g) Going Concern Basis of Accounting

The financial report has been prepared on the basis that the Hobart Branch is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

2. Notice required under Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provision of subsections (1), (2) and (3) of Section 272 of the Fair Work (Registered Organisations) Act 2009, which reads as follows:-

- (1) A member of an organisation, or the General Manager, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under subsection (1) by a member of the organisation or the General Manager, make the specified information available to the member or the General Manager in such a manner, and within such time, as is prescribed. The period must not be less than 14 days after the application is given.
- (3) A General Manager may only make an application under subsection (1) at the request of a member or the organisation concerned, and the General Manager shall provide to a member information received because of an application made at the request of the member".

INDEPENDENT AUDIT REPORT

To the members of the Musicians Union of Australia Hobart Branch

I have audited the general purpose financial report of Musicians Union of Australia Hobart, Branch, which comprises the statement of financial position as at 30 June 2004 and the statement of comprehensive income, statement of changes in accumulated funds (losses) and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes and branch committee of management's statement for the year then ended.

Branch Committee of Management and the Branch Secretary's Responsibility for the Financial Report

The branch committee of management and the branch secretary of the Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on our audit. I have conducted the audit in accordance with Australian Auditing Standards. These Auditing Standards require compliance with relevant ethical requirements relating to audit engagements and performing the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the branch committee of management and branch secretary, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting the audit, I have complied with the independence requirements of the Australian professional accounting bodies and the Fair Work (Registered Organisations) Act 2009.

Auditor's Opinion

In my opinion the general purpose financial report of Musicians Union of Australia Hobart Branch is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.



Bettina Fairbairn - Auditor

Dated at Launceston this *8th* day of *Oct* 2012



FAIR WORK
AUSTRALIA

25 July 2012

Mr Denis Shelverton
Secretary, Hobart Branch
Musicians' Union of Australia
PO Box 579
MOONAH TAS 7009

Dear Mr Shelverton

Lodgement of Financial Documents - Musicians' Union of Australia, Hobart Branch - for years ended 30 June 2004 (FR2004/555), 30 June 2005 (FR2005/488), 30 June 2006 (FR2006/501), 30 June 2007 (FR2007/252), 30 June 2008 (FR2008/481), 30 June 2009 (FR2009/10080)

I refer to the abovementioned financial statements and accounts which were lodged on 17 July 2012

I have examined and considered the documents in detail. I have not filed the documents because the reports did not comply in a significant way with the correct relevant legislation which, for the years ending June 2004 through to June 2009, was Schedule 1B or 1 ("the RAO Schedule") of the *Workplace Relations Act 1996*.¹

The reports have clearly been prepared and audited in accordance with the requirements of the Workplace Relations Act as it was prior to the RAO Schedule ("the pre-RAO Act"). The Accounting Officer's Certificate, the Committee of Management Certificate, the Notice of Section 274, and the Auditor's Report all refer to repealed sections of the pre-RAO Act. The requirements of the pre-RAO Act are different and on 18 May 2012 I outlined the principal differences in an email to you (see copy attached).

Deficiencies

The reports fall short of the requirements of the RAO Schedule in the following ways:

- (1) The "Committee of Management's Certificates" were in the form required by Regulation 109(1)(b) of the pre-RAO regulations. They did not contain important declarations set out in paragraph 25 of the Industrial Registrar's Reporting Guidelines ("the Guidelines") and so they do not comply with the Guidelines. These declarations are important because they represent, for the members of the Branch, the assurances on which they may rely that the financial documents are properly prepared to reflect the current law and the standards required.

¹ The RAO Schedule was introduced in 2003 as Schedule 1B, was retitled Schedule 1 in 2005 and was renamed and enacted in 2009 as the *Fair Work (Registered Organisations) Act 2009*

- (2) The financial statements did not include Notes, comprising a summary of significant accounting policies and other explanatory information, as required by Australian Accounting Standard (AASB) 101 and by section 253(2)(b)(i) of the RAO Schedule.
- (3) The financial statements for the years ending 30 June 2006 through to 30 June 2009 did not include a Statement of Changes in Equity, as required by Australian Accounting Standard (AASB) 101 and by section 253(2)(a)(iv) of the RAO Schedule.
- (4) The reports did not include an Operating Report setting out the information prescribed by both section 254 of the RAO Schedule and regulation 159.
- (5) The reports were not accompanied by Certificates of Secretary as required by section 268 of the RAO Schedule.
- (6) The Auditor's Reports do not appear to be set out in accordance with the Australian Auditing Standard (ASA) 700 in several respects, but most significantly, they provide an opinion that does not comply with the requirements of section 257(5) of the RAO Schedule.

The fact that the Auditor's Report refers to repealed sections of the pre-RAO Act is understandable given that the content and form of the Accounting Certificates, Committee of Management's Certificates and the Notices under Section 274 all indicate that the reports were prepared in accordance with the pre-RAO Act.

However, this means that my initial view, upon first receiving the documents, that the reports might be able to be filed upon lodgement of Operating Reports, Secretary's Certificates, amended Committee of Management Statements and revised Auditor's Reports, would not be sufficient without first addressing the foundation of the reports, namely, their basis of preparation.

Put simply, the accounts and statements can only be audited in accordance with the RAO Schedule if they have been prepared with the RAO Schedule and the Guidelines in mind. But they can only be said to have been prepared with these in mind if the Branch Committee is able to make the required declarations and complete and sign compliant Committee of Management Statements. And, in turn, the Committee can only make such declarations and sign such Statements if they are satisfied that the financial statements and notes and other documentation contain all and any of the items and balances and information set out in the Guidelines which happen to apply to any year and, further, have actually prepared all the prescribed documents.

In view of the omissions and deficiencies, and the pre-RAO form of the Certificates, one cannot be confident that the Statement of Income and Expenditure, the Balance Sheet and the Statement of Cash Flows that were lodged reflect all applicable balances and items required by and set out in the Guidelines.

An example

To illustrate, one example of a balance and item that does not reflect the Guidelines is the balance and item for "Salaries" in the Statements of Income and Expenditure.

Paragraphs 11(g) and 11 (h) of the Guidelines require separate balances for "employee benefits to holders of office" and "employee benefits to employees (other than holders of office)". It is not clear from the simple description "Salaries" which of these two items (or whether both) is being reported. The amount recorded for "Salaries" progressively decreases from 2004 to 2009 and whilst one could suppose that it represents only one of the items, it is not clear which.

The omission of an Operating Report which would have indicated whether or how many employees (other than office holders) were employed does not assist here. The item should have been described as "Salaries - Officeholders" or "Salaries - Employees". The item should also be consistently described. In the Statement of Income and Expenditure for 2009 the item is described as "Salaries (Honorarium)". An "honorarium" is not the same kind of payment as a salary or employee benefit, but rather a payment not legally required for service that is nominally

free. It is thus not clear whether the payments should have been described as “Salaries” or “Honorarium” throughout, or, if there was a change, when this applied.

This is an example where members might reasonably expect, and the law intends they be able, to understand the precise nature of any payments to office-holders or employees. This also illustrates the importance of including explanatory Notes to the Financial Statements.

Action required

I consider that the reports will have to be re-submitted for audit after further preparation that will reflect and comply with the RAO Schedule, not the pre-RAO Act. This will involve the following:

1. An Operating Report in accordance with section 254 and regulation 159 must be prepared for each year. They should be signed and dated by the officer who prepares them.
2. A Statement of Changes in Equity must be prepared for the years 2006 through to 2009.
3. Notes comprising significant accounting policies and other explanatory information must be included in the reports for each year.
4. A Notice under s272 of the RAO Schedule must be included in place of the Notice under s274 of the pre-RAO Act.
5. The Guidelines must be referred to and the Income and Expenditure Statement, the Balance Sheet, the Statement of Cash Flows which have already been prepared must be checked carefully to ensure that they have not omitted any relevant item but contain all and any of the prescribed items and balances which actually applied in each year.
6. For the sake of avoiding confusion, the Accounting Officer’s Certificates, which were required by the pre-RAO regulation 109(1)(a), but no longer required by the RAO Schedule, should be removed.
7. Only when it is satisfied that the financial documents are in accordance with the Accounting Standards and with the Guidelines must the Committee meet to resolve and sign the RAO versions of the Committee of Management Statement.
8. Only when the Committee of Management Statement is signed must the reports be re-submitted to the auditor, and the auditor must be made aware that she must comply in her report with all relevant Auditing Standards and with section 257(5) of the RAO Schedule, not s276(4) of the pre-RAO Act.
9. Upon receipt of the re-audited documents from the auditor, they must be provided to the Branch membership in their revised form.
10. Upon receipt of the re-audited documents, at the same time or after step (9), the full audited reports must be formally presented to the Committee at a meeting “in accordance with section 266”.
11. After the meeting, the Secretary must sign a Secretary’s Certificate in respect of each year, certifying the date on which the documents were provided to the members, and the date they were presented to the Committee meeting in step (10).

References

To avoid confusion and rectify any inadvertent errors in materials or examples I have previously sent to you, and in the interests of completeness and accuracy, I am enclosing some correct references and some fresh templates which you should be mindful of when preparing the necessary documentation. These include:

- (1) A copy of the Industrial Registrar's Reporting Guidelines. (Please see in particular paragraphs 10 (a)-(e), 11 (a)-(l), 12 (a)-(b), 13, 14, 15, 24, 25 and 26 and 25.);
- (2) An extract of section 253 of the RAO Schedule relating to the content of a Financial Report;
- (3) An extract from the Australian Accounting Standard (AASB) 101 relating to the Statement of Changes in Equity which confirms that one is required for the years 2006 to 2009;
- (4) An extract from the Australian Accounting Standard (AASB) 101 relating to Notes to Financial Statements which confirms that one is required for all reports;
- (5) An extract from section 254 and regulation 159 relating to the Operating Report;
- (6) An extract from section 268 relating to the Secretary's Certificate;
- (7) An extract from section 272 relating to the Notice under s272;
- (8) A proforma of the RAO Committee of Management Statements to be signed before audit.

I have highlighted text on these materials to which I wish to draw your particular attention.

I appreciate considerable efforts were made to prepare the reports that were lodged, but to satisfy the correct legislative requirements for reporting and accountability to the members, you must provide them and lodge reports that are complete and in accordance with the prescribed forms. The legislative requirements apply to both large and small reporting entities. Moreover, the additional steps you must take now should have been taken when the Branch was preparing the reports the first time.

You should not hesitate to, and I recommend you to, seek accounting advice to assist in the preparation of the Statement of Changes in Equity and the Notes, and to ensure the other Statements comply with and reflect the Guidelines. The other documentation should be able to be completed by you and the relevant officers with reference to the extracts and templates I have provided you and/or drawn your attention to.

I am always ready to answer any questions or clarify any aspect so please do not hesitate to contact me by email at stephen.kellett@fwa.gov.au

Yours sincerely,

Stephen Kellett
Organisations, Research & Advice

cc. Mr Terry Noone, Federal Secretary



**MUSICIANS' UNION OF
AUSTRALIA
HOBART BRANCH**

2003/2004

**B Fairbairn
29 Brisbane Street
LAUNCESTON TAS 7250
Tel: 03 63317699**

Email: [REDACTED]

**MUSICIANS' UNION OF AUSTRALIA HOBART BRANCH
COMMITTEE OF MANAGEMENT'S CERTIFICATE**

In pursuance of the provisions of sub-section 2734(2) and Regulations 109 (1)(b) and 109 (2) of the Workplace Relations Act 1996 we, Michael Kinsella and Denis Shelverton, being members of the Committee of Management of the Musicians' Union of Australia, Hobart Branch, do state on behalf of the Committee and in accordance with a resolution passed by the Committee, that:

1. In the opinion of the Committee of Management, the Accounts attached, show a true and fair view of the financial affairs of the Union as at 30 June 2004.
2. In the opinion of the Committee of Management, meetings were held during the year ended 30 June 2004 in accordance with the rules of the Union.
3. To the knowledge of any member of the Committee, there have been no instances where records of the Union or other documents, (not being documents containing information made available to a member of the Union under sub-section 274(1) of the Workplace Relations Act 1996) or copies of those records or other documents, or copies of the Rules of the Organisation have not be furnished, or made available, to members in accordance with the requirements of the Act, the Regulations thereto, or the Rules of the Union.
4. The Union has complied with the provisions of sub-section 279 (1) and (6) of the Act in relation to the financial accounts in respect of the year ended 30 June 2004.

.....*Michael Kinsella*.....

Michael Kinsella
President

.....*Denis Shelverton*.....

Denis Shelverton
Secretary

Dated at Hobart this 30th day of JUNE 2012.

**MUSICIANS' UNION OF AUSTRALIA HOBART BRANCH
ACCOUNTING OFFICER'S CERTIFICATE**

In pursuance of the provision of Section 268(1) under the Workplace Relations Act 1996, I, Denis Shelverton certify that as at 30 June 2004 the number of persons that were members of the Musicians' Union of Australia Hobart Branch was 138.

In my opinion:

1. The Accounts attached, show a true and fair view of the financial affairs of the Union as at the 30 June 2004.
2. A record has been kept of all monies paid by the Union, and all monies collected have been credited to the Bank Accounts and accounts to which those monies are to be credited in accordance with the Rules of the Union.
3. Before any expenditure was incurred by the Union, approval of the incurring of the expenditure was obtained in accordance with the Rules of the Union.
4. No loans or other financial benefits, other than remuneration in respect to their full-time employment with the organisation, were made to persons holding office in the organisation.
5. The register of the Members of the Union was maintained in accordance with the Act.


.....

Denis Shelverton

Dated at Hobart, this 30th day of JUNE 2012

MUSICIANS' UNION OF AUSTRALIA HOBART BRANCH

REPORT OF THE AUDITOR

In pursuance of the provision of Section 275(1) of the Workplace Relations Act 1996, I report on the Accounts of the Musicians' Union of Australia Hobart Branch for the financial year ended 30 June 2004, attached, which have been prepared under the Historical Cost Convention.

(A) In my opinion

- 1 (i) The Union has kept satisfactory accounting records including,
 - (a) records of the sources and nature of the income of the Union (including income from members), and
 - (b) records of the nature and purpose of expenditure of the Union, and

- (ii) The Accounts and Statements prepared in accordance with Section 273 of the Act, from the accounting records of the Union kept in respect of the financial year were properly drawn up so as to give a true and fair view of-
 - (a) The financial affairs of the Union as at the end of the financial year, and
 - (b) The income and expenditure and any surplus or deficit of the Union for the financial year.

(B) All the information and explanations that, under sub-section (2) of Section 276 of the Act that I required officers of the Union to furnish, were furnished.



.....
B Fairbairn Auditor

Dated at Launceston this26.....day of June.....2012.

MUSICIANS' UNION OF AUSTRALIA HOBART BRANCH
BALANCE SHEET AS AT 30 JUNE 2004

	2003	2004
ACCUMULATED FUNDS		
Balance at 1 July 2003	43,956	39,018
Add net surplus for 2003/04	4,638	38,149
	39,318	77,167
Less Benevolent payments in year (Note 3)	300	276
Less Historical balancing	0	4999
Balance as at 30 June 2004	<u>\$39,018</u>	<u>\$71,894</u>
Represented by :_		
CURRENT ASSETS		
Benevolent Fund Island State Credit Union	3,044	7,924
Commonwealth Bank of Australia – General A/c	862	2,472
Commonwealth Bank of Australia – No. 2 A/c	199	1,498
Sundry Debtor (Note 6)	1,250	0.00
	<u>5,354</u>	<u>11,894</u>
Less CURRENT LIABILITIES		
Sundry Creditors (Note 4)	6,843	0.00
Travel Grant on hold	2,000	0.00
	<u>8,843</u>	<u>0.00</u>
NET WORKING CAPITAL	-3,489	0.00
Plus NON-CURRENT ASSETS		
Land & Buildings (at cost) (Note 6)	60,000	60,000
Furniture Equipment (At cost) (Note 5)	8,322	0.00
Less Provision for Depreciation	1,217	0.00
	<u>61,217</u>	<u>71,894</u>
Less NON-CURRENT LIABILITY		
Building Loan (Melbourne Branch) (Note 6)	19,355	0.00
Less repaid 2002/03 (incl. Interest)	-645	0.00
	<u>18,710</u>	<u>0.00</u>
Net Assets at 30 June 2004	<u>\$39,018</u>	<u>\$71,894</u>

MUSICIANS' UNION OF AUSTRALIA HOBART BRANCH

STATEMENT OF INCOME & EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2004

	2003	2004
INCOME	\$	\$
Proceeds – Garage Sale	545	0
Interest	60	371
Membership	20,465	16,366
PPCA Project	3,182	1,705
Rent, Federal Office travel & storage (Note 6)	1,500	6,275
Proceeds of property sale & shop deposit	0	128,500
Stale cheque written back	200	0
Other	0	2,786
TOTAL INCOME	\$25,952	\$156,003
OPERATING EXPENSES		
Artist fees		2,640
Administration expenses	8,535	40,417
PPCA project	3,802	1,110
Salaries	15,718`	10,717
Travelling	2,630	550
Shop purchase	0	42,102
Building loan balance repayment	0	20,318
TOTAL OPERATING EXPENSES	<u>\$30,685</u>	<u>\$117,854</u>
SURPLUS (or DEFICIENCY) FOR YEAR	<u>(\$4,733)</u>	<u>\$38,149</u>

These are extracts of the audited Financial Statements of the Musicians' Union of Australia Hobart branch. Copies of the full audited accounts are available upon request, free of charge.

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

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specific prescribed information in relation to the organisation.
- (2) An organisation shall, upon application made under sub-section (1) by a member of the organisation or a Registrar, make the prescribed 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 a member.

Penalty : \$1,000

MUSICIANS' UNION OF AUSTRALIA HOBART BRANCH

STATEMENT OF CASH FLOWS YEAR ENDED 30 JUNE 2004

	2003	2004
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
INFLOWS –		
Membership etc.	24,701	153,282
Sponsorship for artists	20,610	2,350
Interest	61	371
OUTFLOWS –		
Payments to employee and suppliers	(\$31,231)	(51,684)
Artists' remuneration	(20,460)	(4,997)
NET CASH PROVIDED BY (or used in)		
OPERATING ACTIVITIES	(6,319)	(0)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans Raised (Less Repayments)	(-860)	(0)
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Property (Real estate purchased)	(0)	(42,102)
Equipment Purchased	(0)	(868)
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Benevolent Fund Payments	(300)	(276)
NET INCREASE (DECREASE) IN CASH HELD	(7,479)	38,149
Cash at beginning of the year	11,587	39,018
= CASH AT THE END OF THE YEAR	<u>\$4,105</u>	<u>\$77,167</u>

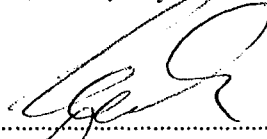
1 Namco 2 door cabinet (match file cabinets)	100	0
1 Namco 2 drawer file cabinet	30	0
1 Desk file cabinet	50	0
1 Office desk (modern style)	150	0
1 Typist return desk	10	0
1 Board room table	150	0
12 Office chairs	120	0
1 486/66 computer with drive and screen	526	0
1 Brother laser 600 printer plus cartridge	260	0
1 Sharp phone fax	240	0
1 Canon copier and cabinet	350	0
1 Oil panel heater	150	0
1 Vulcan Tangi heater	10	0
1 Electric adding machine	10	0
1 Wall Clock	10	0
1 Wooden bookcase 6 ft	50	0
3 Window blinds verticals	180	0
1 Desk Calculator	10	0
1 Nokia mobile phone	80	0
1 Vacuum cleaner	30	0
300 Music charts	4,250	0
1 Coffee Table	30	0
1 Optima computer and accessories	690	0
	<u>\$8,146</u>	<u>\$0</u>

We the following members of the Hobart Branch of the Musicians' Union of Australia endorse the Actions of the Branch Committee in the day to day administration of the Financial affairs of the Branch including receipt of Income and the Expenditure as recorded.

W. S. Scivella

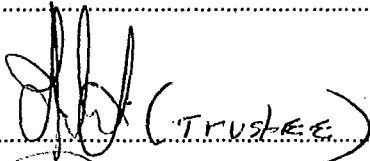
P. B. Ketcher

Michael Fortson

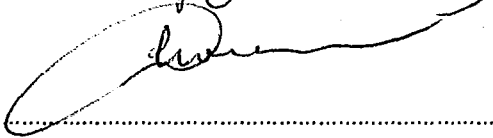


~~Johnston~~



 (TRUSTEE)

J. D. Andrews



P. Sheverson

P. Young (TRUSTEE)