



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Ref: FR2005/483 -[009V]

Mr Martin Byrne
Assistant Federal Secretary/Treasurer
Australian Institute of Marine and Power Engineers
52 Buckingham Street
SURRY HILLS NSW 2010

Dear Mr Byrne

**Re: Australian Institute of Marine and Power Engineers Outstanding Financial Documents -
*Workplace Relations Act 1996***

The Accounts and Audit Part of Schedule 1B of the *Workplace Relations Act 1996* requires, as a general rule, that the audited financial statements of a reporting unit of a registered organisation, be lodged in the Industrial Registry within 6 months and 14 days from the end of its financial year.

To date, the Registry has no record of lodgement of the financial reports of the above named reporting unit for the year ended 30 June, 2005. For details of these provisions and organisations' financial reporting obligations please refer to the Registry's earlier correspondence.

In particular there is no record of lodgement of copies of:

- the general purpose financial report;
- the auditor's report; or
- the operating report.

These three reports are referred to as the "full report".

Section 268 of the RAO Schedule¹ requires that a copy of the full report be lodged in the Registry within 14 days (or such longer period a Registrar allows) after the full report is presented to a general meeting of members (or to a committee of management meeting if the rules make provision consistent with s266(3)).

Section 266 (1) requires that the full report be presented to the meeting within 6 months of the end of the financial year. Therefore, lodgement of the documents in the Registry was required by **14 January, 2006.**

Section 305(2)(ze) of the RAO Schedule is a civil penalty provision. It provides that a failure to meet the requirements of s268 is a contravention of that civil penalty provision. The Federal Court may on application of the Industrial Registrar impose a pecuniary penalty on the person or organisation whose conduct contravened the civil penalty provision.

I also draw your attention to the provisions of Part 1 of Chapter 9 of the RAO Schedule which set out the general duties of officers and employees of organisations and their branches in relation to financial management.

In the absence of lodgement of a copy of the full report, I request you state in writing by **9 February, 2006:**

- whether the auditor has audited the general purpose financial report and if so, the date on which the auditor signed the audit report
- whether the committee of management has prepared the operating report
- whether the full report has been provided to members, and if so, when

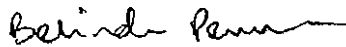
¹ Schedule 1B of the Workplace Relations Act 1996

- whether the full report provided to the members has been presented to a general or committee of management meeting, and if so, when
- when a copy of the full report will be lodged in the Industrial Registry.

The full report when lodged must be accompanied by a certificate of the secretary or other authorised officer that the documents lodged are copies of the documents provided to members and presented to the general or committee of management meeting in accordance with s266.

If you wish to discuss this letter, please contact me on (02) 8374 6618. In reply please quote: **FR2005/483**.

Yours sincerely



Belinda Penna

E-mail: belinda.penna@air.gov.au

23 January, 2006



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Ref: FR2005/483-[009V]

Mr Henning Christiansen
Federal Secretary
Australian Institute of Marine and Power Engineers,
52 Buckingham Street
SURRY HILLS NSW 2010

Dear Mr Christiansen

Financial Return - year ending 30 June, 2005

Our records show your organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

Attached to this letter are sample forms and checklists to help you prepare and lodge your documents in time. We recommend you give a copy of this letter to the accountant or auditor preparing your accounts and the audit report.

We are happy to comment on any draft documents you or your accountant/auditor prepare before they are finalised.

Review of last year's financial return

We suggest you review any correspondence you received from us about last year's return. If we referred to any deficiencies or omissions, please take them into account in preparing this year's documents.

Time limits

As outlined in the Registry's letter of 19 August 2005 to the Federal Treasurer of the Institute, in its last reporting period the Institute substantially exceeded the statutory time limit for presentation of its full report to a general meeting. As outlined below strict time limits apply to the financial reporting process. The Institute's full report should be lodged in the Registry by no later than 14 January 2006.

Legislation

This letter can only summarise the legislation. We strongly recommend your organisation and your accountant/auditor get a copy and refer to it when preparing your return. This is what you will need and where to find it:

- *The Registration and Accountability of Organisations Schedule* (Schedule 1B to the *Workplace Relations Act 1996*). We will call this the "RAO Schedule"¹. It is a part (or

¹ References in this letter are to the RAO Schedule unless otherwise stated

“schedule”) of the Act but is numbered separately from rest of the Act. *Part 3 – Accounts and audit* of the RAO Schedule contains legislation on financial returns.

- The *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003* – “the RAO Regulations”.
- the *Reporting Guidelines* issued by the Industrial Registrar – “the Guidelines”.

You can find the RAO Schedule and RAO Regulations under “Procedures and Legislation”, and the Guidelines under “Organisations”, on our website at www.airc.gov.au. You can also view and download full versions of the Act including the RAO Schedule and RAO Regulations from Comlaw at www.comlaw.gov.au.

Timeline Planner and Checklist

The RAO Schedule includes strict timelines for various steps in the reporting process. It is in the interest of your organisation and its officers to know these time limits. Failure to comply with statutory time limits may attract a civil penalty.

We have attached a Timeline/Planner (*Attachment A*) to help you plan your financial return and carry out all the necessary steps. We have also attached a Document Checklist (*Attachment B*) to check your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Guidelines.

In the following section we describe some of the documents your reporting unit² must prepare and the sequence of their preparation and completion.

Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor’s Report, comprise the reporting unit’s financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar’s *Reporting Guidelines*. The GPFR consists of:

Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar’s *Reporting Guidelines* under section 255; and

Committee of Management Statement as required by the Guidelines (a sample Statement is at *Attachment C*)

² “Reporting Unit” is the term RAO uses to describe a body which has to prepare a financial return. If an organisation is divided into branches, each branch is a “reporting unit”.

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information. The contents of the operating report are set out in s254 of the RAO Schedule and regulation 159 of the RAO Regulations.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

First Meeting (Committee of Management)

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the "first meeting". At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a *Committee of Management Statement*.

The Auditor

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

Informing Your Members

The Full Report

Your reporting unit must provide free of charge to its members a copy of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report".

A Concise Report

Under certain circumstances, your reporting unit can provide members a more limited *concise report*. If your committee of management resolves to prepare a concise report, you must ensure the contents and format of the report are consistent with the RAO Schedule and RAO Regulations.

Providing the reports to members

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report on a website on the Internet dependent on:

- the extent of the accessibility of the members of the reporting unit to the Internet; and
- that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.
- both financial and unfinancial members should be able to access the report if published on the website

When does the report have to be provided to members?

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

The Second Meeting - if it is a General Meeting of Members

After providing the full or any concise report to members, the full report must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval and the second meeting is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

The Second Meeting - if it is a Committee of Management Meeting

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held to consider the report (see s266(3)), you may present the report directly to a Committee of Management meeting.

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au). When lodging the financial return please quote the **Ref: FR number** at top left of the front page of this letter.

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certificate is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

Extensions of Time

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed can be no more than one month.

Reduced Reporting Requirements

If your reporting unit meets certain conditions, some of these reporting requirements can be reduced. If the annual income of a reporting unit (where the reporting unit is the whole of the

organisation) is less than \$100,000, or where the reporting unit has no financial affairs in the financial year, or where the financial affairs of the reporting unit are encompassed by the financial affairs of its counterpart State industrial association, the Industrial Registrar may grant a certificate reducing the reporting requirements.

If you think you might qualify for "reduced reporting", please contact us for more information and how to make an application for a certificate.

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at riasydney@air.gov.au as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries.

Yours sincerely



Peter McKerrow
for Deputy Industrial Registrar

25 August 2005

TIMELINE/ PLANNER

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

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

Attachment B

Documents Checklist

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
1	General Purpose Financial Report	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
2	Committee of Management Statement	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
3	Auditor's Report	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
4	Operating Report	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
5	Concise report*	
6	Certificate of Secretary or other Authorised Officer	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

Committee of Management Statement

On *[date of meeting]* the Committee of Management of *[name of reporting unit]* passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended *[date]*:

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

- (a) the financial statements and notes comply* with the Australian Accounting Standards;
- (b) the financial statements and notes comply* with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view* of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds* to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held* in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been* managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been* kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been* furnished to the member or Registrar; and
 - #(vi) there has been* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: *[name of designated officer per section 243 of the RAO Schedule]*

Title of Office held:

Signature:

Date:

* Where compliance or full compliance has not been attained - set out details of non compliance instead.

Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]²*, referred to in s268 of the RAO Schedule; and
- that the *[full report OR concise report]³*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members OR the last of a series of general meetings of members OR a meeting of the committee of management]³* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*

NOTICE REQUIRED BY s272(5) of the RAO Schedule

Your reporting unit must include the text of the Notice below in the Notes to the General Purpose Financial Report and in any Concise Report it prepares.

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).



AIMPE

Australian Institute of
Marine and Power Engineers
HEAD OFFICE

File No.: NN/3/0

3 February 2006

Ms B Penna
Australian Industrial Registry
Level 8 Terrace Towers
80 William Street,
EAST SYDNEY NSW 2011



Dear Ms Penna,

Re: AIMPE Financial Returns 2004-2005

Please find enclosed bound copies of the Australian Institute of Marine and Power Engineers Financial Report for the year ended 30th June 2005.

As you will observe the Financial Report includes the statement of financial performance, the auditors report and the operating report. All have been signed and dated by the relevant parties.

Furthermore I can confirm that the Committee of Management (know under our Registered Rules as the Federal Executive) received and approved of the accounts on 9th December 2005. At the meeting of the Federal Executive, the following resolution was adopted:

"That the Federal Executive receive and accept the Financial Accounts for 2004-05 and authorise the Federal Treasurer to sign the Operating Report and further authorise the Federal President to sign the Committee of Management Statement."

This resolution was carried unanimously.

Following the Federal Executive (Committee of Management) meeting on 9th December I arranged for the financial report to be sent by courier to our printer/mailling house. On 14th December 2005 a copy of the full financial report was sent free of charge (s.265) to each member at their home address. This was done by way of an insert into the union journal "On Watch" (s265 (6)).

I now hereby certify that the document enclosed is an exact copy of the Financial Accounts presented to the Australian Institute of Marine and Power Engineers Federal Executive on 9th December 2005.

I further hereby certify that the document enclosed is an exact copy of the Financial Accounts circulated by post to each member of the Australian Institute of Marine and Power Engineers at the home address of each such members.

The registered rules of the Australian Institute of Marine and Power Engineers require that the Federal President shall present the audited balance sheet to the Federal Council (Rule 22). The Federal Council is required to meet at least once a year as soon as possible after the Annual General Meeting (Rule 7). The Annual General Meeting is required to be held on the last

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Telephone: +61 2 9698 3999 Fax: +61 2 9319 7505

Tuesday of the month of May each year or on such other Monthly Meeting as decided by the Federal Council (Rule 16).

In practice, Federal Council is almost always in June shortly after the May AGM and the financial accounts are presented to both the AGM (held concurrently at various locations) and then to the Federal Council (usually held at Head Office in Sydney).

Clearly there are two differing sets of requirements under the registered Rules of the Australian Institute of Marine and Power Engineers and the provisions of the Workplace Relations Act. The AIMPE attempts to comply with both the Act and AIMPE Rules.

Unfortunately my primary employment functions as an industrial negotiator continually overwhelm me and I can never seem to meet all of the deadlines.

If there is anything that I have overlooked please do not hesitate to bring it to my attention.

Yours faithfully,

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

MARTIN BYRNE
FEDERAL TREASURER
AUSTRALIAN INSTITUTE OF
MARINE & POWER ENGINEERS

MB:dv

C:\AIR_AIMPE_FinReturns04-05

Enc.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE, 2005

CONTENTS

Item		Page
1.	Operating Report	1 - 2
2.	Statement of Financial Performance	3 - 4
3.	Statement of Financial Position	5
4.	Statement of Cash Flows	6
5.	Notes to the Financial Statements	7 - 14
6.	Committee of Management Statement	15
7.	Independent Audit Report	16

**FORRESTS ROBERTS BAZBAUERS & KINDRED
CHARTERED ACCOUNTANTS
SYDNEY**



AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

OPERATING REPORT

I, Martin Byrne, Federal Treasurer of the Australian Institute of Marine and Power Engineers, hereby report on the operations of the AIMPE during 2004-05 as follows:

(a) The principal activities of the AIMPE continue to be the protection of the rights and entitlements of AIMPE members both individually and collectively, the defence of professional standards and the promotion of the maritime industry. As a result of these activities the AIMPE sought and achieved the certification of several agreements by the Australian Industrial Relations Commission. AIMPE also notified the AIRC of several industrial disputes. AIMPE further sought the amendment of various maritime awards to maintain the relevance of said awards. These activities are similar in nature to the activities of the AIMPE in previous years.

In addition AIMPE maintains an active communication strategy encompassing direct mail of the union journal, monthly reports to all ships with members on board, email communications to ships where available and regular monthly meetings at major locations around the country.

AIMPE continued to be represented on the National Maritime Industry Training Committee, the National Marine Safety Council's Industry Advisory Group, National Offshore Oil and Gas Safety Advisory Committee, Seafarers Safety, Rehabilitation and Compensation Authority Board, the Seafarers Assistance Service. During 2004-05 AIMPE participated in the Maritime Security Identification Card Working Group.

Throughout 2004-05, AIMPE also retained its long-standing affiliations with the International Transport Workers Federation, the Australian Council of Trade Unions and the Australian Labor Party.

(b) Regarding the financial affairs of the AIMPE in 2004-05 -- membership fee income was again up on the income in the previous financial year due to an increase in membership numbers as well as a modest increase in fees. Income from rent was down following the disposal of the last investment property in 2003-04. Interest income was up as a consequence of the investment of the proceeds of the property sales. Overall, the organisation recorded a surplus of over \$9,000 -- after several years of effective operating losses.

AIMPE owns all of the premises in which our offices are located. In addition we have some space let out to tenants in our Head Office in Surry Hills, Sydney and in our SA Branch office in Port Adelaide.

(c) Members are entitled to resign by providing a notice of resignation in writing to the Branch Secretary of the Branch to which the member belongs as provided by Rule 31. During 2004-05 there were 113 members who resigned from the AIMPE. The number of new members was 168. At 30th June 2005 the total number of members in the union was 2,476.

(d) There are two officers who are Directors of a company that is a superannuation trustee company and who are required to be members of the organisation. They are Mr Terry Snee, Federal President of AIMPE and myself Mr Martin Byrne Federal Treasurer of AIMPE. AIMPE is the Principal Employer of the Australian Institute of Marine and Power Engineers Superannuation Plan. We are appointed by the Federal Council of the AIMPE to be Trustee Directors of the Plan together with two other Directors who are elected by the members of the Plan. At the AIMPE Federal Council in June of 2005 a decision was taken to transfer the AIMPE Superannuation Plan to the SignatureSuper Master Trust operated by AMP. This is to be implemented during the 2005-06 financial year.

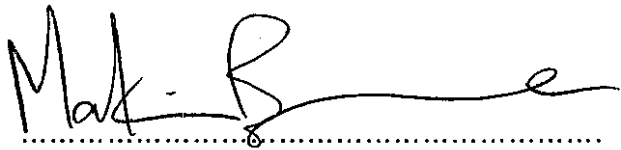
AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

OPERATING REPORT (Continued)

(e) The Federal Executive of the AIMPE was elected by the Federal Council in a ballot conducted by the Australian Electoral Commission. The persons elected were:

Federal President	Terry Snee,
Senior Vice President	Tony Richardson,
Vice Presidents	Henning Christiansen and Andrew Williamson,
Federal Treasurer,	Martin Byrne.

The number of people employed by AIMPE during 2004-05 was 14 [comprising 10 full-time staff, 2 part-time staff and 2 casual staff].



Signed:

Name:

Martin Byrne

Title of Office held:

Federal Treasurer, AIMPE

Signed at SYDNEY this 9th day of December, 2005.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS**STATEMENT OF FINANCIAL PERFORMANCE****FOR THE YEAR ENDED 30TH JUNE 2005**

	NOTE	2005 \$	2004 \$
INCOME			
Membership Contributions (including arrears, entrance fees and less refunds)		1,290,746	1,138,596
Compulsory Levies	3	-	35,827
Donations		-	200
On Watch Advertising/Subscriptions		1,409	450
Interest Received		170,250	149,417
Distributions Received		-	14,497
Dividends Received		4,847	2,996
Rent		34,694	50,164
Sundry		26,402	1,590
Surplus/(Deficit) on Sale of Property, Plant and Equipment		(8,334)	593,889
Realised Gain/(Loss) on Investments		-	(2,541)
Unrealised Gain/(Loss) on Investments		13,677	90,962
TOTAL INCOME		<u>1,533,691</u>	<u>2,076,047</u>
EXPENDITURE			
PERSONNEL			
Salaries - Officials and Staff	4 / 12	766,562	755,300
Superannuation		129,311	128,528
Payroll Tax		13,559	13,577
Workers Compensation Insurance		10,482	6,350
		<u>919,914</u>	<u>903,755</u>
COMMUNICATIONS			
Casual Typing		10,426	10,040
Postage & Freight		8,774	7,293
Printing & Stationery		15,862	9,388
Repairs & Maintenance - Office Equipment		3,772	6,361
Telephone, Internet & Facsimile		47,860	48,672
Fringe Benefits Tax		8,869	7,560
		<u>95,563</u>	<u>89,314</u>
BUILDING			
Cleaning & Maintenance		19,641	23,576
Insurance		10,618	8,563
Light & Power		5,772	5,650
Rates, Taxes & Land Tax		21,137	20,371
		<u>57,168</u>	<u>58,160</u>
TRAVEL AND ACCOMMODATION	13	32,313	35,898

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30TH JUNE 2005

(Continued)

	NOTE	2005 \$	2004 \$
MOTOR VEHICLE EXPENSES			
Motor Vehicle Running Costs		17,050	14,984
Fringe Benefits Tax		<u>1,854</u>	<u>1,854</u>
		<u>18,904</u>	<u>16,838</u>
OTHER ADMINISTRATION			
Audit and Accountancy	11	35,270	29,295
Advertising		347	3,900
Affiliation Fees		25,211	32,352
Bank Charges and Government Duties		11,563	13,108
Donations		31,998	400
Entertainment		525	693
Legal Fees		72,915	69,063
Publications		16,710	17,280
Staff Amenities		2,408	2,358
Sundry Expenses		<u>2,673</u>	<u>2,748</u>
		<u>199,620</u>	<u>171,197</u>
PROJECTS	5	120,284	163,023
MISCELLANEOUS			
Depreciation - Buildings	2 / 9	13,172	13,327
Depreciation - Other On Watch	2 / 9	30,234	32,454
		<u>36,704</u>	<u>33,945</u>
		<u>80,110</u>	<u>79,726</u>
TOTAL EXPENDITURE		<u>1,523,876</u>	<u>1,517,911</u>
OPERATING SURPLUS/(DEFICIT)		9,815	558,136
TOTAL CHANGES IN EQUITY	8	<u>9,815</u>	<u>558,136</u>

STATEMENT OF FINANCIAL POSITION

AS AT 30TH JUNE 2005

	NOTE	2005 \$	2004 \$
CURRENT ASSETS			
Cash Assets	6	3,014,197	2,951,914
Receivables		<u>16,599</u>	<u>11,904</u>
TOTAL CURRENT ASSETS		<u>3,030,796</u>	<u>2,963,818</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	9	1,798,746	1,845,470
Investments	10	<u>74,945</u>	<u>63,862</u>
TOTAL NON-CURRENT ASSETS		<u>1,873,691</u>	<u>1,909,332</u>
TOTAL ASSETS		<u>4,904,487</u>	<u>4,873,150</u>
CURRENT LIABILITIES			
Membership Contributions Received in Advance		145,981	147,412
Payables		81,674	84,789
Provision for Annual Leave	4	<u>115,701</u>	<u>110,639</u>
TOTAL CURRENT LIABILITIES		<u>343,356</u>	<u>342,840</u>
NON CURRENT LIABILITIES			
Provision for Long Service Leave	4	<u>202,671</u>	<u>181,665</u>
TOTAL NON-CURRENT LIABILITIES		<u>202,671</u>	<u>181,665</u>
TOTAL LIABILITIES		<u>546,027</u>	<u>524,505</u>
NET ASSETS		<u>4,358,460</u>	<u>4,348,645</u>
EQUITY			
General Fund	8	2,233,506	2,223,691
Asset Revaluation Reserve	7	1,028,158	1,028,158
Capital Realisation Reserve		<u>1,096,796</u>	<u>1,096,796</u>
TOTAL EQUITY		<u>4,358,460</u>	<u>4,348,645</u>

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH JUNE 2005

	NOTE	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES:-			
RECEIPTS:-			
Contributions, Entrance Fees and Levies Received from Members and "On Watch" Subscriptions		1,419,796	1,197,536
Interest Received		167,071	145,285
Dividends Received		4,847	1,532
Rent Income Received		37,752	56,750
Other Income Received		26,648	1,749
TOTAL RECEIPTS		<u>1,656,114</u>	<u>1,402,852</u>
PAYMENTS:-			
Payments to Suppliers and Employees		1,413,723	1,338,722
Payment Relating to Projects		132,312	179,325
Payments Relating to "On Watch"		40,374	37,340
TOTAL PAYMENTS		<u>1,586,409</u>	<u>1,555,387</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	14a	<u>69,705</u>	<u>(152,535)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:-			
RECEIPTS			
Securites in Listed Companies		2,595	900,000
Redemption of Units in Trusts and Managed Funds		-	517,867
Proceeds from Sale of Property, Plant and Equipment		-	1,263,300
TOTAL RECEIPTS		<u>2,595</u>	<u>2,681,167</u>
PAYMENTS:-			
Securites in Listed Companies		-	-
Loan to Employees		5,000	-
Payment for Property, Plant and Equipment		5,017	17,778
TOTAL PAYMENTS		<u>10,017</u>	<u>17,778</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(7,422)</u>	<u>2,663,389</u>
Net Increase / (Decrease) in Cash Held		62,283	2,510,854
Cash at the Beginning of the Financial year		2,951,914	441,060
CASH AT THE END OF THE FINANCIAL YEAR	14b	<u>3,014,197</u>	<u>2,951,914</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2005

Note 1: Information to be Provided to Members

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of Schedule 1B section 272 which reads as follows:

- (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 2: Statement of Significant Accounting Policies

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act 1996.

The financial report covers the Australian Institute of Marine and Power Engineers Sydney Branch as an individual reporting unit.

The financial report has been prepared on a modified accruals basis of accounting where, in accordance with Schedule 1B section 252(4) of the Workplace Relations Act 1996, membership subscriptions are kept on a cash basis. The financial report is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

No provision for income tax is necessary as trade unions are exempt from income tax under Section 50-15 of the Income Tax assessment Act 1997.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2005

Note 2: Statement of Significant Accounting Policies (cont'd)

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the economic entity to have an independent valuation every three years, with annual appraisals being made by the directors.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated over their useful lives to the economic entity commencing from the time the asset is held ready for use.

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

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Buildings	2 – 11.25%
Plant and equipment	9 - 60%

(c) Investments

Shares in listed companies held as current assets are valued by directors at those shares' market value at each balance date. The gains or losses, whether realised or unrealised, are included in profit from ordinary activities.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2005

Note 2: Statement of Significant Accounting Policies (cont'd)

(d) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the economic entity to the employee superannuation funds and are charged as expenses when incurred.

(e) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

(f) Income

Income from the sale of goods is recognised upon the delivery of goods to customers.

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

Dividend revenue is recognised when the right to receive a dividend has been established.

Income 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).

(g) 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 Statement of Financial Position are shown inclusive of GST.

(h) Comparative Figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2005

(Continued)

	2005	2004
	\$	\$
3. COMPULSORY LEVIES		
International Conferences	-	8,849
Seagoing Delegates Conference	-	26,978
	<u>-</u>	<u>35,827</u>
4. PROVISIONS FOR HOLIDAY PAY AND LONG SERVICE LEAVE		
The increase/(decrease) in current year provisions have been charged to operational expenditure at salary levels applicable at 30th June to Salaries		
Provision for Annual Leave	5,062	(5,502)
Provision for Long Service Leave	21,006	26,534
	<u>26,068</u>	<u>21,032</u>
5. PROJECTS		
Expenditure shown in the Income and Expenditure Account under projects are made up as follows:-		
Dredges	2,148	2,469
Electricity Commission of New South Wales	7,019	2,338
Federal Council	18,740	12,605
Federal Executive	16,319	7,509
Federal President	18,821	14,581
International Conferences - I.T.F./I.M.O.	15,979	28,773
Maritime Industry Seagoing Award	16,205	11,040
Seagoing Conference	-	67,139
NMITC/AMC Liaison Committee	504	2,689
Offshore	9,610	4,085
Port Services Award	158	280
Small Ships	2,099	1,157
Tourist Industry	-	611
Tugs	12,682	7,747
	<u>120,284</u>	<u>163,023</u>
6. CASH ASSETS		
Cash on Hand	3,034	3,034
Cash at Bank	297,279	485,582
Deposits at Call	2,713,884	2,463,298
	<u>3,014,197</u>	<u>2,951,914</u>
7. ASSET REVALUATION RESERVE		
Opening Balance	1,028,158	1,376,718
Revaluation increment on freehold land and buildings	-	-
Revaluation adjustment on sale of freehold land and buildings	-	(348,560)
Closing Balance	<u>1,028,158</u>	<u>1,028,158</u>

NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2005

(Continued)

	NOTE	2005 \$	2004 \$
8. GENERAL FUND			
Retained surplus (deficit) at the beginning of the year		2,223,691	1,665,555
Operating Surplus/(Deficit) for the year		<u>9,815</u>	<u>558,136</u>
Retained surplus (deficit) at the end of the year		<u><u>2,233,506</u></u>	<u><u>2,223,691</u></u>
9. PROPERTY, PLANT AND EQUIPMENT			
Freehold Land and Buildings			
52 Buckingham Street, Surry Hills Sydney (at 2001 Independent Valuation)		1,252,390	1,252,390
58-60 Buckingham Street, Surry Hills South Australia (at 1989 Valuation)		95,000	95,000
Newcastle (at 1989 Valuation)		125,000	125,000
Victoria (at 1989 Valuation)		275,000	275,000
Western Australia (at 1989 Valuation plus additions)		100,739	100,739
Queensland (at 1989 Valuation)		<u>95,000</u>	<u>95,000</u>
		1,943,129	1,943,129
Less:- Accumulated Depreciation		<u>244,668</u>	<u>231,496</u>
		<u><u>1,698,461</u></u>	<u><u>1,711,633</u></u>
Motor Vehicles			
Motor Vehicles - at cost		192,612	218,184
Less:- Accumulated Depreciation		<u>149,808</u>	<u>163,083</u>
		<u><u>42,804</u></u>	<u><u>55,101</u></u>
Furniture and Fittings			
Furniture and Fittings - at cost		152,137	158,179
Less:- Accumulated Depreciation		<u>129,142</u>	<u>131,258</u>
		<u><u>22,995</u></u>	<u><u>26,921</u></u>
Office Equipment			
Office Equipment - at cost		147,577	279,491
Less:- Accumulated Depreciation		<u>117,434</u>	<u>233,152</u>
		<u><u>30,143</u></u>	<u><u>46,339</u></u>
Sundry Assets			
The following items are included in Sundry Assets:- Noise Level Meters; Bindings for Publications and Reports; Hot Water Systems; Telephone Installations.			
Sundry Assets - at cost		8,799	14,962
Less:- Accumulated Depreciation		<u>4,456</u>	<u>9,486</u>
		<u><u>4,343</u></u>	<u><u>5,476</u></u>

NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2005

(Continued)

	NOTE	2005 \$	2004 \$
10. INVESTMENTS			
Shares in Listed Companies - at market value		<u>74,945</u>	<u>63,862</u>
		<u>74,945</u>	<u>63,862</u>
11. AUDITOR'S REMUNERATION			
Amounts received, or due and receivable, by Auditors for:-			
Auditing the Accounts		<u>35,270</u>	<u>29,295</u>
Included above are amounts received, or due and receivable, by Auditors other than Forrest Roberts Bazbauers & Kindred			
Auditing the Accounts		<u>9,370</u>	<u>7,860</u>
12. SALARIES AND BENEFITS - OFFICIALS AND STAFF			
Salaries and Benefits, not including provisions for Long Service Leave and Annual Leave as shown in Note 3 comprise the following:-			
Honorary Elected Officials		520	416
Full Time Elected Officials		231,313	227,749
Staff		<u>508,661</u>	<u>506,103</u>
		<u>740,494</u>	<u>734,268</u>
13. TRAVEL AND ACCOMMODATION			
Head Office		24,086	27,257
Newcastle Branch		6,148	5,474
Victoria Branch		1,421	2,464
Western Australia Branch		182	109
Queensland Branch		476	483
Queensland District		-	-
Sydney Branch		-	-
South Australia Branch		-	111
		<u>32,313</u>	<u>35,898</u>

NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2005

(Continued)

	NOTE	2005 \$	2004 \$
14. STATEMENT OF CASH FLOWS			
a. Reconciliation of Net Cash provided by Operating Activities to Operating Surplus/(Deficit)			
OPERATING SURPLUS/(DEFICIT)		<u>9,815</u>	<u>558,136</u>
ADDBACK:-			
Deficit on Sale of Property, Plant and Equipment		8,334	-
Realised Loss on Investments		-	2,541
Unrealised Loss on Investments		-	-
Depreciation		43,406	45,781
Increase in Sundry Creditors and Accruals		-	-
Increase in Provision for Annual Leave		5,062	5,502
Increase in Provision for Long Service Leave		21,006	26,534
Decrease in Sundry Debtors		305	2,992
Increase in Contributions Received in Advance		-	-
		<u>78,113</u>	<u>80,809</u>
		<u>87,928</u>	<u>638,945</u>
DEDUCT:-			
Surplus on Sale of Property, Plant and Equipment		-	593,889
Realised Gain on Investments		-	-
Unrealised Gain on Investments		13,677	90,962
Distributions Reinvested		-	14,497
Dividend Reinvested		-	1,463
Decrease in Contributions Received in Advance		1,431	86,404
Increase in Sundry Debtors		-	-
Decrease in Sundry Creditors and Accruals		3,115	6,806
Decrease in Provision for Annual Leave		-	-
Decrease in Provision for Long Service Leave		-	-
		<u>18,223</u>	<u>791,480</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>69,705</u>	<u>(152,535)</u>
b. Reconciliation of Cash:-			
Cash on Hand		3,034	3,034
Cash at Bank		297,279	485,582
Deposits at Call		2,713,884	2,463,298
		<u>3,014,197</u>	<u>2,951,914</u>

c. The union has no credit stand-by or financing facilities in place.

d. There were no non-cash financing or investing activities during the year.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2005

Note 15: Segment Reporting

The Union operates predominantly in one business and geographical segment, being a union of employees providing industrial and workplace relations services to its members in Australia.

Note 16: Financial Instruments

Interest Rate Risk

The branch'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 is not material.

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 value of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of those financial statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

Net Fair Values

Assets and liabilities have been valued at their net fair value at balance date. This value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying value exceeds fair net values have not been written down as the company intends to hold these assets to maturity. 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 and forming part of the financial statements.

Note 17: Union Details

The principal place of business of the Union is:

Australian Institute of Marine and Power Engineers
52 Buckingham Street
SURRY HILLS NSW 2010

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

COMMITTEE OF MANAGEMENT STATEMENT

On 9th Dec 2005 the Committee of Management passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30th June 2005:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

Signed on behalf of the Committee of Management by:

Terry Snee

President

Name:

Title of Office held:

Signed at

this 9th day of DECEMBER, 2005

Terry Snee

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

INDEPENDENT AUDIT REPORT

Scope

We have audited the financial report of the Australian Institute of Marine and Power Engineers for the year ended 30 June 2005 comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements. The Union's Committee of Management is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance 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 the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, the Workplace Relations Act 1996 and other mandatory professional reporting requirements in Australia 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 its cash flows.

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

Audit opinion

In our opinion, the financial report of the Australian Institute of Marine and Power Engineers is in accordance with applicable Accounting Standards, the Workplace Relations Act 1996 and other mandatory professional reporting requirements in Australia giving a true and fair view of the Branch's financial position as at 30 June 2005 and of their performance for the year ended on that date.

FORREST ROBERTS BAZBAUERS & KINDRED

Chartered Accountants



R.E. BAZBAUERS B.Com FCA

Partner

Level 1, 692 Pacific Highway
CHATSWOOD NSW 2067

Signed at

SYDNEY

this 9th day of December, 2005



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Martin Byrne
Federal Treasurer
The Australian Institute of Marine and Power Engineers
52 Buckingham Street
SURRY HILLS NSW 2010

Dear Mr Byrne

Re Financial Return – The Australian Institute of Marine and Power Engineers – year ending 30 June 2005 (FR2005/483)

Thank you for lodging the above financial report and statements on 6 February 2006.

I wish to comment on the issue of compliance with section 265 and 266 of the Schedule 1B of the *Workplace Relations Act 1996* ('the RAO Schedule'). However, in your covering letter you refer to an apparent conflict between the organisation's rules and the legislation and so I will comment on both questions as they relate to each other.

Presentation to Meeting after provision to members

In your covering letter you certify that the report was provided to the members on 14 December 2005 by mail-out of the union journal after the report was received and approved by the Federal Executive on 9 December 2005.

The organisation has complied with s265 of the RAO Schedule. However, s266 (an extract of which is enclosed) makes clear that presentation to a second meeting - of one type or another depending on the reporting unit's rules - must take place at some point *after* the members receive their copies. This does not appear to have taken place.

Clearly, the earlier meeting of the Federal Executive on 9 December could not be the meeting contemplated by s266 for the purpose of "presenting" the documents. The organisation still needs to comply with s266 and go through the formality of presenting the report to a "second meeting".

What type of meeting must this second meeting be? Section 266 makes clear it must be a general members' meeting (or series of meetings) unless the reporting unit has a rule allowing up to 5% of members to request a general members' meeting to consider the financial report. If such a rule exists, then the reporting unit can present the report to its committee, which is often more conveniently arranged.

In the case of your organisation, there is no equivalent rule. (Your rule 17(i)(c) only allows for members requesting Federal Council meetings not general members' meetings.) However, your rule 16 already appears to contemplate that the financial report will be presented to the members in a general meeting or series of meetings. This brings me to your comments.

Conflict between rules and legislation

An apparent conflict arises because whereas the RAO Schedule requires all the financial reporting steps - including the presentation of the documents to a general meeting - to be completed by 6 months after the relevant financial year, your rule 16 sets the usual date for the Annual General Meeting in May which is 11 months after the relevant financial year.

As you would appreciate, legislative requirements prevail over a potentially conflicting rule. Where the operation of a rule tends to conflict with the law, the organisation may need to consider appropriate alterations to its rules.

Options

The first option is suggested by the fact that rule 16 allows the Annual General Meeting to be held at another time as decided by the Federal Council. If the Federal Council were to resolve that the Annual General Meeting series takes place in December, or as soon as practicable after the mail-out of the union journal containing the audited financial report, then it would seem possible to comply with both the rules and the legislation.

Moreover, if the organisation considered it necessary, it could apply for an extension of time of up to one month in which to comply with s265, which would have the effect of extending the time in which the Annual general meeting series could take place.

I do not know whether the granting of most Federal Council powers to Federal Executive under rule 5(iii) means that a resolution to change the date of the Annual General Meeting series could be made by the Federal Executive.

Alternatively, the organisation could consider altering its rules to include a new rule allowing not more than 5% of members to request a general meeting series specifically to consider the general purpose financial report, the operating report and the auditor's report.

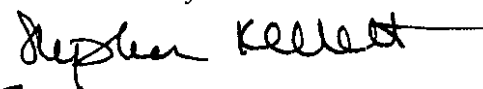
A suitable alteration of this kind would mean that for the purposes of s266, the organisation could present the financial report to the Federal Executive or Federal Council as soon as practicable after a December mail-out of the report to the members. This would enable the organisation to lodge the financial report having complied with the RAO Schedule without any conflict with its other rules.

Filing of documents

Given that with what I understand will be an Annual General Meeting series taking place in May the financial report will effectively be presented within the meaning of s266 and given that the financial report in every other respect complies with the RAO Schedule, I have decided to file the documents without further delay. However the question of completing the financial reporting obligations within the prescribed periods however needs to be satisfactorily resolved for future returns.

If I have misapprehended the nature of the difficulties you consider affect your organisation's ability to comply with both your rules and the legislation, if I have misapprehended any facts, or you wish to discuss the issues further, please contact me on (02) 8374 6509.

Yours sincerely



Stephen Kellett
Assistant Manager, Sydney Registry

27 February 2006