



FAIR WORK
AUSTRALIA

1 November 2012

Mr Glenn Price
Secretary, Launceston Branch
Musicians' Union Of Australia
PO Box 320
KINGS MEADOWS LAUNCESTON TAS 7249



Dear Mr Price,

**Re: Lodgement of Financial Statements and Accounts – Musicians' Union of Australia,
Launceston Branch - for year ending 30 June 2012 (FR2012/398)**

I refer to the above financial return, which was received by Fair Work Australia on 22 October 2012.

The documents have been filed but I wish to draw your attention to several issues relating to the content or format of the documentation. I acknowledge that these particular details have not been commented on in the past where previous financial reports were concerned, but after consultation with colleagues, and consistent with new FWA Regulatory Compliance Policy I wish to set out where the Branch's reports must reflect more correctly relevant provisions or standards. My purpose is to direct your attention to the importance of giving full effect to the exact wording of the Act and regulations so as to assist the Branch to avoid any inadvertent contraventions of the relevant statutory requirements in future.

1. Operating Report disclosures

The Operating Report required by section 254 of the *Fair Work (Registered Organisations) Act 2009* was first made a requirement when the previous Workplace Relations Act was amended in 2003. The amendments were designed at the time to upgrade the reporting and accountability provisions of the Act by adopting similar standards to those in the Corporations Act. The Operating Report is similar to the Annual Directors' Report and is designed to provide particular kinds of information not otherwise normally disclosed in the financial statements and notes.

Section 254(2)(a) requires the operating report to "*contain a review of the reporting unit's principal activities during the year, the results of those activities and any significant changes in the nature of those activities during the year*".

i. Review of principal activities

Your Operating Report states that "the principal activity of the organisation during the year was that of a registered trade union". In previous years, your Operating Reports stated that the principal activity was "promotion of music".

That these descriptions appear, on reconsideration, to be perhaps a little broader than section 254 contemplates is suggested by the use of the plural "activities" and the requirement to also contain a review of the "results of those activities". The "activity of a registered trade union" or the "activity of promotion of music" could be said to imply and involve various more specific activities for which results might be able to be measured

and described. They might include any or all of representation of members, recruitment, award or agreement negotiation, publication of information, provision of support to members, industrial action etc, to name just a few that spring readily to mind and which dictionaries variously list.¹

ii. Results of principal activities

Your Operating Report discloses an "Operating Result" as a surplus. Previous Operating Reports were similar. Advice recently provided to me is that "results of those activities" is not to be understood as financial results but non-financial results of the activities identified as the "principal activities". For example, if a principal activity included recruitment, the non-financial result might be the number of new members recruited during the year; if a principal activity included negotiating contracts or agreements, the non-financial result might be the number of agreements negotiated; if the promotion of music was a principal activity, the non-financial result might be the number of forums, workshops, campaigns, festivals or publicity events conducted or supported, and so on.

I would ask that you give consideration to how more accurately and explicitly you might characterise and describe the principal activities of your Branch in future Operating Reports and set out a brief description of the non-financial results of such principal activities of the Branch as you mention.

iii. Period of office

Regulation 159(c) requires that the Operating Report disclose not only the name of each person who is a member of the Committee of management but also the "*period for which he or she held such a position*". Your Operating Report lists the names of the members of the Committee of Management "for the last financial year". I have taken this to mean that they held office for the entire year, but it is perhaps an expression that is less precise than it could be.

I would ask that in future you make the period clear beyond all question by using a phrase like "for the full period of the last financial year". Needless to say, if any individual member of the Committee resigned or otherwise vacated office during the year, you should indicate the part-year period he or she held office.

iv. Trustees of superannuation entities

Section 254(2)(d) requires the operating report to "*give details (including details of the position held) of any officer or member of the reporting unit who is (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or (ii) a director of a company that is a trustee of a superannuation entity (etc.) ...where a criterion for the officer or member being the trustee or director is that the officer or director is an officer or member of a registered organisation.*"

Your Operating Report, like those for previous years, made no reference to this item of information. I have in the past interpreted the lack of reference as indicating there are no officers or members who fall into the above categories. However, although I have no reason to believe my interpretation has been factually wrong, it is not strictly correct for me to rely on an inference. As a general principle, where the Act or regulations prescribe information, FWA has a duty to satisfy itself that the reporting unit has complied with the requirement. It can only be satisfied if there is some plain basis for being so, on the face of the documents.

What this means is that reporting units must show that they turned their mind to the prescribed item, even if it does not apply in a particular year. Therefore, if there are no superannuation trustees or directors to be reported, the reporting unit should at least include a statement to that effect so that FWA can be reasonably satisfied that the Operating Report is compliant in that respect.

I would ask that in future, if there are no officers or members in your Branch who are trustees or directors of superannuation entities etc., your Operating Report should include a brief statement

¹ cf. Shorter Oxford Dictionary Vol 2, p 3358; Wikipedia etc.

that "no officer or member of the Branch is a trustee of a superannuation entity or public sector superannuation scheme or a director of a company that is a trustee....etc."

Conclusion

The above issues I have identified should not represent onerous modifications to the reporting content or presentation of the documentation in future.

I acknowledge that reporting units depend on advice by FWA to assist them to fully comply with the statutory requirements and such advice sometimes changes to reflect different policy priorities. It is of course incumbent on FWA officers to provide reporting units with information and explanation for any changes in practice or procedure. But it may be broadly stated that recent amendments to the Act, which include requirements for training for officers with financial duties in the future, emphasize the importance of transparency in financial reporting and of strict compliance with the provisions of the legislation. To facilitate this, and consistent with policy to promote this, FWA is, for example, currently undertaking a review of the Reporting Guidelines first published in 2003-2004 with the intention of addressing any anomalies or ambiguities or to bring them into line with latest practice.

I will be writing to various reporting units with a similar aim and focus, as appropriate, to encourage and achieve a uniform standard of reporting compliance. I believe I have previously forwarded to you some relevant information and resources for you to be able to refer to, but I invite you to feel welcome to contact me at any time on (02) [REDACTED] [REDACTED] if you have any queries or concerns about these particular issues or any other question you might have about financial reporting compliance in general.

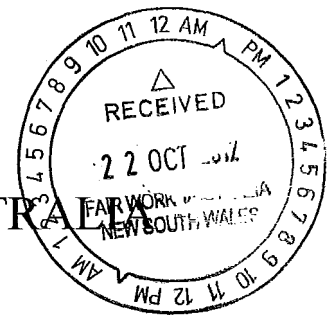
Yours sincerely,



Stephen Kellett

Regulatory Compliance Branch

FR 2012/398



THE MUSICIANS UNION OF AUSTRALIA
(LAUNCESTON BRANCH)

P.O. Box 320,
Kings Meadows,
Launceston 7249

Ph [REDACTED]
Fax (03)63 448355
email [REDACTED]@[REDACTED].[REDACTED]

CERTIFICATE OF SECRETARY OR OTHER AUTHORISED officer
S268 of Schedule 1B Workplace relations Act 1996

I Glenn Price being the Branch Secretary of the Musicians Union Of Australia Launceston Branch certify

. that the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and

that the full report , was provided to members on 26th September 2012 and

that the full report was presented to a General Meeting of Members on 17 October 2012 and was presented to the Committee Of Management on in accordance with section 266of the RAO Schedule

Signature:

Date: 18.10.2012,



THE MUSICIANS UNION OF AUSTRALIA
(LAUNCESTON BRANCH)

THE MUSICIANS UNION OF AUSTRALIA
(LAUNCESTON BRANCH)
UNION OF EMPLOYEES

FINANCIAL REPORT FOR THE YEAR ENDED
30th JUNE 2012

P.O. BOX 320 KINGS MEADOWS
LAUNCESTON TAS 7249

MUSICIANS UNION OF AUSTRALIA LAUNCESTON BRANCH

COMMITTEE OF MANAGEMENT STATEMENT

In the opinion of the Committee Of Management

the financial statements and notes comply with the Australian Accounting Standards;

the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;

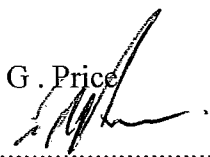
the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

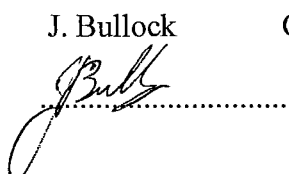
there are reasonable grounds to believe that the reporting unit will be able to pay its debts and when they become due and payable; and

during the financial year the GPFR relates and since the end of the year

meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of the branch concerned; and
the financial records of the reporting unit have been kept and maintained in accordance with the RAO schedule and the RAO regulations; and
where the organisation consists of two 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 reporting units of the organisation ; and
the information sought in any request of a member of the reporting unit or registrar duly made under section 272 of the RAO schedule has been furnished to the member or registrar; and
there has been compliance with any order for inspection of financial records made by the commission under section 273 of the RAO schedule

This statement is made in accordance with a resolution of the committee of management

G. Price

.....

J. Bullock

.....

Committee Of Management

signed at Launceston this 2nd day of August 2012

MUSICIANS UNION OF AUSTRALIA LAUNCESTON BRANCH

OPERATING REPORT
FOR THE YEAR ENDED 30th JUNE 2012

In accordance with section 254 of the Fair Work (Registered Organisations) act 2009 (“the act”), the year ended 30th June 2012, the Launceston Branch of the Musicians Union Of Australia, Committee Of Management acting under the rules of the Union, present their report as follows;

PRINCIPAL ACTIVITIES

the principal activity of the organisation during the year was that of a registered trade union,

No significant change occurred in the nature of those activities during the year
OPERATING RESULT.

The operating result of the organisation for the year ended 30th June 2012 was a surplus of \$105.00. No provision for tax was necessary as the organisation was considered exempt.

SIGNIFICANT CHANGES

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

RIGHTS OF MEMBERS

All members have the right to resign from the union in accordance with the rules of the Union (and section 174 of fair work (Registered Organisations) act 2009); namely by providing written notice addressed and delivered to the Secretary of the Branch

OTHER PRESCRIBED INFORMATION

In accordance with regulation 159 of the Workplace Relations Act (Registration and Accountability of Organisations) Regulations-

(a) the number of persons that were at the end of the financial year recorded in register of members sec 230 of the fair work (Registered Organisations) Act 2009 was 44

(b) the number of persons who were at the end of the financial year employees of the organisation including both part and full time employees measured on a full time equivalent was Nil;

(c) the names of those who have been members of the Committee of Management of the Organisation for the last financial year are

Glenn Price , June Bullock, Ron Baines, Stewart Corrick, Alan James, Alan Crawford
Don Gadd Committee Of Management

Signed at Launceston this 2nd day of August 2012


.....
G. Price J. Bullock

MUSICIANS UNION OF AUSTRALIA (LAUNCESTON BRANCH)

FAIR WORK (Registered Organisations) ACT 2009

ACCOUNTING OFFICERS CERTIFICATE

I Glenn Price, being the officer responsible for keeping the accounting records of the MUSICIANS UNION OF AUSTRALIA (LAUNCESTON BRANCH) , certify that as of the 30th day of June 2012 the number of members of the organisation was

In my opinion;

- (i) the accounts show a true and fair view of the financial affairs of the organisation as at the 30th day of June 2012;
- (ii) a record has been kept of all monies paid by, or collected from members of the organisation and all monies so paid or collected have been credited to the bank account or accounts to which those monies are to be credited , in accordance with the rules of the organisation;
- (iii) 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;
- (iv) any payment made out of funds of the organisation raised by compulsory levies or voluntary contributions from members or funds other than the general Fund operated in accordance with the rules, for a purpose for which the fund was operated was approved in accordance with the rules of the organisation;
- (v) no loans or other financial benefits, were made to persons holding office in the organisation and ;
- (vi) the register of members of the organisation was maintained in accordance with the Act



Glenn Price
Accounting Officer

Signed this 2nd Day of August 2012 in Launceston Tasmania



TOTAL
ACCOUNTING &
TAXATION SPECIALISTS

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Launceston TAS 7250
PO Box 138 Legana TAS 7277

p: 03 6331 7699
f: 03 6331 7699

e: [REDACTED]
abn: 43 930 995 011

INDEPENDENT AUDIT REPORT

To the members of the Musicians Union of Australia Launceston Branch

I have audited the general purpose financial report of Musicians Union of Australia Launceston Branch, which comprises the statement of financial position as at 30th June, 2012, 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 Standards (including the 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 me audit. I conducted the audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform 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 judgment, 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 the 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 Launceston 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 4.9.12
Member of CPA, Australia
And Holder of Current Public Practice Certificate
27-29 Brisbane Street,
Launceston, TAS. 7250

MUSICIANS UNION OF AUSTRALIA

STATEMENT OF CASH FLOWS
For the year ended 30th June 201~~2~~¹.

	2012	2011
Cash Flows from Operating Activities	1589	1926
Receipts from Members	1483	1566
	105	360
Net Cash inflow from operating activities	nil	nil
Cash Flows from Investing accounts	nil	nil
Net cash outflow from investing activities	nil	nil
Cash flows from financing activities	nil	nil
Net cash inflow from financing activities	nil	nil
	105	360
Net increase / (decrease) in cash held		
Cash held at the beginning of the financial year	687	337
Cash held at the end of the financial year	796	687

THE MUSICIANS UNION OF AUSTRALIA
Statement Of Changes in Equity for the year
30th June 2012

	Retained Profits	Total
Balance as at 01/07/2010	331	331
Profit/ Loss for the year	(1305)	(1305)
.....		
Balance as at 30/6/2011	688	688
Balance as at 01/07/2011	688	688
.....		
Profit/ Loss for the year	360	360
Balance as at 30/06/2012	105	105

MUSICIANS UNION OF AUSTRALIA
Detailed Statement of Financial Performance

For the year ended 30 June 2012

INCOME	2012	2011
Memberships and Entrance Fees	1495	1819
Federal Office Contributions	92	106
Interest Received	2	1
Total Income	1589	1926
 EXPENSES		
Audit Fees	165	165
Sustentation Fees	----	92
Administration Fees	380	251
Bank Charges	99	92
Advertising	323	467
Telephone	355	383
Postage	161	116
Total Expenses	1484	1566
Profit (loss) from ordinary activities		360
Net profit (loss) attributable to the association		360
Total changes in equity to the association		360
 Net profit (loss) attributable to the association	105	360

The accompanying notes form part of these financial statements

MUSICIANS UNION OF AUSTRALIA LAUNCESTON BRANCH

OPERATING STATEMENT

	\$ 2012	\$ 2011
INCOME		
Membership contributions and Entrance fees	1495	1819
Federal office contributions and Entrance fees	92	106
Interest	2	1
	1589	1926
Less		
EXPENSES		
Audit Fees	165	165
Sustentation fees	--	92
Administration fees	1219	1217
Bank Fees	99	92
	1483	1566
Operating Profit/ (Loss)	105	360

MUSICIANS UNION OF AUSTRALIA
Balance Sheet as at 30th June 2012

CURRENT ASSETS	2012	2011
Commonwealth Bank Of Australia (7603)28004437	796	687
Total Current Assets	796	687
 NON -CURRENT ASSETS		
Equipment At Cost	1590	1590
Total Non Current Assets	1590	1590
 Total Assets	2386	2277
 EQUITY		
Retained profits at the beginning of the period	3182	2964
 Operating Surplus/ (Deficit)	 105	 360



The accompanying notes form part of these financial statements

MUSICIANS UNION OF AUSTRALIA LAUNCESTON BRANCH.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30th June 2011

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

This financial report is a general purpose finance 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 Boards and the Workplace Relations Act 1996.

The financial statements have been prepared on an accruals basis and 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 fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the economic entity in the preparation for the financial statements.

a) Membership and Contributions

Memberships are recognised for the financial year to which they relate. Any memberships received in advance are recognised as current liabilities at balance date. Contributions are recognised upon receipt and are therefore accounted for on a cash basis.

b) Income Tax

Musicians Union of Australia (Launceston Branch) is a Trade Union established for the specific purpose of the development of Musical talent within Launceston. Accordingly, the income of the union is not managed for the purpose of profit or gain to the individual members and is exempt from income tax under s 50-15 of the Income Tax assessment Act, 1936 as amended.

c) Employee Entitlements

As the union has no employees, no provision has been made to provide employee entitlements

d) Cash

For the purpose of the Statement of Cash Flows, cash included deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis, net of outstanding bank overdrafts.

NOTE 2: RECONCILIATION OF CASH

	\$	\$
	2012	2011
Cash at bank	796	687

272 Information to be provided to members or Registrar

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1)
Note ; This subsection is a civil penalty provision (see section 305)
- (4) a registrar may only make an application under subsection (1) at the request of a member of the reporting unit concerned, and the Registrar must provide to a member information received because of an application made at the request of a member.
- (5) A general purpose financial report prepared under section 253, a concise report prepared under section 265 and a report prepared under subsection 270(4) must include a notice drawing attention to subsections (1), (2) and (3) of this section and setting out those subsections.

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