



FAIR WORK
COMMISSION

30 June 2013

Mr Pdraig Crumlin
National Secretary
Maritime Union of Australia
Level 2, 365-375 Sussex Street
SYDNEY NSW 2000

Dear Mr Crumlin,

RE: Financial accounts and statements - Maritime Union of Australia - for year ending 30 June 2012 (FR2012/228)

I refer to the above financial accounts and statements which were lodged with the Fair Work Commission on 8 February 2013.

The documents have been filed. However, please note the following:

Future Financial reports should be lodged within the prescribed period, that is, within 14 days after presentation to the second meeting, in accordance with section 268 of the *Fair Work (Registered Organisations) Act 2009*;

Future Operating Reports prepared under section 254 should describe some of the information more reflectively of the Act or Regulations:- (i) The number of employees reported should be expressed as measured "on a full-time equivalent basis" in accordance with regulation 159(b); (ii) the review, in accordance with subsection 254(2)(a),¹ of the results of the principal activities (which are described as "*the provision of Trade Union services to members*") should include a brief statement or description of the outcomes derived directly from those trade union services.²

Balances that are separately prescribed by the Reporting Guidelines must be separately itemised. "Fees and periodic subscriptions in respect of affiliation" and "compulsory levies" are separately prescribed items of expense.³ If the item described as "Affiliations and levies" disclosed at Note 3 of the financial report represents both these prescribed items, future reports should separate the respective balances.

¹ "The operating report must contain a review of the reporting unit's principal activities during the year, *the results of those activities*....."(my emphasis)

² The correct interpretation of "results" in this context is of a functional rather than a financial nature (such as financial gain or loss). Trade union services include many activities such as (but not limited to) industrial representation, negotiation of agreements and conditions, recruitment, advocacy, safety monitoring, to mention just a few. Results could thus include such outcomes as success in negotiating new or better agreements, increases or changes in membership, success in representation of member rights, improvements in safety record etc. A brief statement or description would suffice for the purposes of the operating report.

³ Paragraphs 11(d) and (e) of the Reporting Guidelines issued in 2003; paragraphs 17(c) and 17(d) of the Reporting Guidelines issued in June 2013.

A balance of \$218,208 is disclosed at Note 3 for the item of expense "Donations". If this amount included any individual donation exceeding \$1,000 a separate statement under section 237 setting out the prescribed particulars must be lodged. I enclose a copy of a proforma that may be used if applicable.

I draw your attention to the new Reporting Guidelines of the General Manager, which apply to all financial years ending on or after 30 June 2013. They are accessible at http://www.fwc.gov.au/documents/organisations/reporting_guidelines/fr_guidelines_253.pdf

If you have any queries, please do not hesitate to contact me on (02) 6723 7237 or by email at stephen.kellett@fwc.gov.au.

Yours faithfully,

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Regulatory Compliance Branch

From: [Orgs](#)
To: [KELLETT, Stephen](#)
Subject: FW: On CMS+ FR2012 228 MUA Lodgment of Audited Financial Report for Year Ending 30 June 2012
Date: Saturday, 4 May 2013 7:57:44 PM
Attachments: [130208 MUA Ltr to FWA re 2012 FinRpt Ldgt.pdf](#)

From: Michael Burns [<mailto:michael.burns@mua.org.au>]
Sent: Friday, 8 February 2013 10:49 AM
To: sydney@fwc.gov.au; KELLETT, Stephen
Cc: Adam Jacka; PFEIFFER, Robert
Subject: MUA Lodgment of Audited Financial Report for Year Ending 30 June 2012

Dear Registrar,

Enclosed herewith for lodgement by the MUA is the union's Audited Financial Report for the year ending 30 June 2012 with s268 Certificate attached.

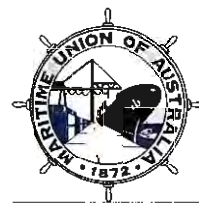
Please contact me with any issues relating to the lodgement of this report.

Regards

Michael Burns
Acting National Legal Officer
Maritime Union of Australia
0408 007 546

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The Maritime Union Of Australia National Office



Paddy Crumlin - National Secretary | Mick Doleman - Deputy National Secretary
Ian Bray and Warren Smith - Assistant National Secretaries

MUA Ref: 13/2/8/533

8 February 2013

The Registrar
Fair Work Australia
Level 8, Terrace Tower
80 William Street
EAST SYDNEY NSW 2011

Fax: 02 9380 6990

Email: sydney@fwc.gov.au

Attention: Mr Stephen Kellett

Email: stephen.kellett@fwc.gov.au

Dear Registrar

Re: AUDITED FINANCIAL REPORT FOR YEAR ENDING 30 JUNE 2012

Enclosed herewith are the following documents for lodgment by the Maritime Union of Australia:

- Audited financial report for the year ended 30 June 2012
- Section 268 Certificate

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Michael Burns', is written over a light blue horizontal line.

Michael Burns
Acting National Legal Officer
Maritime Union of Australia

Encl.



Paddy Crumlin - National Secretary | Mick Doleman - Deputy National Secretary
Ian Bray and Warren Smith - Assistant National Secretaries

MUA Ref: 13/2/8/534

Certificate of Designated Officer

Section 268 *Fair Work (Registered Organisations) Act 2009*

I, Padraig Crumlin, being the National Secretary of the Maritime Union of Australia, hereby certify:

- That the documents lodged herewith are copies of the full report referred to in s 265 of the *Fair Work (Registered Organisations) Act 2009*; and
- That the full report was provided to the members on and from 29 October 2012; and
- That the full report was presented to the last of a series of general meetings of members of the reporting unit on 14 December 2012 in accordance with s 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature:

A handwritten signature in blue ink, appearing to read 'P. Crumlin', is written over a light blue horizontal line.

Padraig Crumlin
National Secretary
Maritime Union of Australia

Date: 8 February 2013



**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2012**

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

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**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

NATIONAL COUNCIL REPORT

Your National Council present their report on Maritime Union of Australia (the "Union") and its subsidiary (the "Group") for the financial year ended 30 June 2012.

Officials

The names of the Officials in office at any time during the financial year and to the date of this report are:

Austin, A (Retired 1 July 2011)	Evans, A
Boyle, J (Retired 1 July 2011)	Garrett, P
Bull, P * (Retired 1 July 2011)	Hill, I * (Appointed 1 July 2011)
Bracken, K	Horgan, L * (Retired 1 July 2011)
Bray, I	Keane, G
Burford, A *	Keating, P
Cain, C	McAleer, P
Campbell, J	Munday, T
Carr, M	Newlyn, J
Carter, S * (Appointed 1 July 2011)	Outram, D * (Appointed 1 July 2011)
Clothier, C *	Patchett, R
Covell, L * (Retired 1 July 2011)	Schleibs, D
Crumlin, P	Sheehan, P
Cushion, D	Smith, W
Deakin, J	Tracey, W
Doleman, M	Williams, G (Appointed 1 July 2011)

**Honorary Electorate*

Officials have been in office since the start of the financial year to the date of this report unless otherwise stated.

During the financial year all Officials attended the National Council meeting with no apologies.

Review of Operations

The consolidated comprehensive income of the Group for the financial year amounted to \$1,364,479 (2011: \$477,962).

The number of members of the Union at the date of this report was 14,976 (2011: 13,722).

The number of employees of the reporting unit at the end of the financial year was 82 (2011: 76).

The right of members to resign from the organisation is set out at Section 11 of the Union's rules.

Significant Changes in State of Affairs

No significant changes in the Group's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the Union during the financial year was the provision of Trade Union services to its members. No significant change in the nature of these activities occurred during the year.

**THE MARITIME UNION OF AUSTRALIA
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NATIONAL COUNCIL REPORT

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.

Proceedings on Behalf of the Union

No person has applied for leave of Court to bring proceedings on behalf of the Union or intervene in any proceedings to which the Union is a party for the purpose of taking responsibility on behalf of the Union for all or any part of those proceedings.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Group.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 5 of the report.

Trustees of Maritime Super

The following Officials were trustees or directors of a company that acted as a trustee or alternative trustee of the Maritime Super:

Carr, M
Crumlin, P
Doleman, M

Signed in accordance with a resolution of the National Council:

18th of October 2012



P. Crumlin
National Secretary

Principal: David Robinson MCom BEc FCA FTA

Level 3, 2 Bulletin Place
Circular Quay, Sydney NSW 2000

Postal Address: GPO Box 4605
Sydney NSW 2001 Australia

Telephone: 02 9247 2227

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E-mail: mail@harveys.com.au
Internet: www.harveys.com.au



AUDITOR'S INDEPENDENCE DECLARATION

TO THE NATIONAL COUNCIL OF THE MARITIME UNION OF AUSTRALIA AND ITS SUBSIDIARY

I declare that, to the best of knowledge and belief, during the year ended 30 June 2012 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Harveys Chartered Accountants

D.P. Robinson
Principal

Dated this 18th day of October 2012

Level 3
2 Bulletin Place
SYDNEY NSW 2000

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	Consolidated		Chief Entity	
		2012	2011	2012	2011
		\$	\$	\$	\$
Operating activities					
Revenues	2	16,303,951	13,686,585	16,303,951	13,686,585
Employee benefits expense	3	(9,261,324)	(7,769,646)	(9,261,324)	(7,769,646)
Depreciation and amortisation expenses	3	(643,033)	(589,158)	(643,033)	(589,158)
Other expenses		(6,844,919)	(5,184,852)	(6,844,919)	(5,184,852)
Net surplus/(deficit) from operating activities		(445,325)	142,928	(445,325)	142,928
Non-operating activities					
Other income	2.1	(249,209)	335,034	(249,209)	335,034
Net surplus/(deficit) from non-operating activities		(249,209)	335,034	(249,209)	335,034
Net surplus/(deficit) attributable to the members of the Union		(694,534)	477,962	(694,534)	477,962
Other comprehensive income					
Revaluation of land and buildings		2,059,013	-	2,059,013	-
Total comprehensive income for the year attributable to the members of the Union		1,364,479	477,962	1,364,479	477,962

The accompanying notes form part of the financial statements.

THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
 ABN 93 047 659 794

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Note	Consolidated		Chief Entity	
		2012	2011	2012	2011
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	5	1,298,850	3,592,462	1,291,781	3,585,393
Inventories on hand		55,097	-	55,097	-
Trade and other receivables	6	1,419,243	1,732,151	1,418,694	1,731,603
TOTAL CURRENT ASSETS		2,773,190	5,324,613	2,765,572	5,316,995
NON-CURRENT ASSETS					
Trade and other receivables	6	320,997	325,961	335,997	340,961
Investments	7	5,273,016	5,581,875	5,273,007	5,581,866
Property, plant and equipment	8	27,358,074	24,403,757	27,358,074	24,403,757
TOTAL NON-CURRENT ASSETS		32,952,087	30,311,592	32,967,078	30,326,583
TOTAL ASSETS		35,725,277	35,636,205	35,732,650	35,643,578
CURRENT LIABILITIES					
Trade and other payables	9	1,332,433	2,604,354	1,332,433	2,604,354
Provisions	10	2,080,473	2,013,037	2,080,473	2,013,037
TOTAL CURRENT LIABILITIES		3,412,906	4,617,391	3,412,906	4,617,391
NON-CURRENT LIABILITIES					
Provisions	10	1,153,424	1,224,346	1,153,424	1,224,346
TOTAL NON-CURRENT LIABILITIES		1,153,424	1,224,346	1,153,424	1,224,346
TOTAL LIABILITIES		4,566,330	5,841,737	4,566,330	5,841,737
NET ASSETS		31,158,947	29,794,468	31,166,320	29,801,841
MEMBERS' EQUITY					
Fighting fund reserve	11	18,739	18,739	18,739	18,739
Revaluation reserve	8	2,059,013	-	2,059,013	-
Retained surplus		29,081,195	29,775,729	29,088,568	29,783,102
TOTAL MEMBERS' EQUITY		31,158,947	29,794,468	31,166,320	29,801,841

The accompanying notes form part of the financial statements.

**THE MARITIME UNION OF AUSTRALIA
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ABN 93 047 659 794**

**STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED 30 JUNE 2012**

	Fighting Fund Reserve	Revaluation Reserve	Retained Surplus	Total Equity
	\$	\$	\$	\$
CONSOLIDATED				
At 1 July 2010	18,739	-	29,297,767	29,316,506
Net surplus for the year	-	-	477,962	477,962
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	477,962	477,962
At 30 June 2011	18,739	-	29,775,729	29,794,468
Net deficit for the year	-	-	(694,534)	(694,534)
Other comprehensive income	-	2,059,013	-	2,059,013
Total comprehensive income	-	2,059,013	694,534	1,364,479
At 30 June 2012	18,739	2,059,013	29,081,195	31,158,947
CHIEF ENTITY				
At 1 July 2010	18,739	-	29,305,140	29,323,879
Net surplus for the year	-	-	477,962	477,962
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	477,962	477,962
At 30 June 2011	18,739	-	29,783,102	29,801,841
Net deficit for the year	-	-	(694,534)	(694,534)
Other comprehensive income	-	2,059,013	-	2,059,013
Total comprehensive income	-	2,059,013	694,534	1,364,479
At 30 June 2012	18,739	2,059,013	29,088,568	31,166,320

The accompanying notes form part of the financial statements.

**THE MARITIME UNION OF AUSTRALIA
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	Consolidated		Chief Entity	
		2012	2011	2012	2011
		\$	\$	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from members		16,392,691	14,247,733	16,392,691	14,247,733
Payments to suppliers and employees		(18,408,189)	(13,713,387)	(18,408,189)	(13,713,387)
Rent received		317,398	428,771	317,398	428,771
Other receipts		846,794	321,139	846,794	321,139
Donations		44,625	27,289	44,625	27,289
Net cash provided by/(used in) operating activities	15(b)	(806,681)	1,311,546	(806,681)	1,311,546
CASH FLOW FROM INVESTING ACTIVITIES					
Interest received		98,100	178,971	98,100	178,971
Repayment of Official loan		24,700	5,581	24,700	5,581
Proceeds from sale of investments		-	1,262,012	-	1,262,012
Purchase of investments		(61,397)	-	(61,397)	-
Proceeds from sale of property, plant and equipment		86,619	112,764	86,619	112,764
Purchase of property, plant and equipment		(1,634,953)	(2,292,188)	(1,634,953)	(2,292,188)
Net cash used in investing activities		(1,486,931)	(732,860)	(1,486,931)	(911,831)
Net increase/(decrease) in cash and cash equivalents		(2,293,612)	578,686	(2,293,612)	578,686
Cash and cash equivalent at the beginning of the financial year		3,592,462	3,013,776	3,585,393	3,006,707
Cash and cash equivalent at the end of the financial year	15(a)	1,298,850	3,592,462	1,291,781	3,585,393

The accompanying notes form part of the financial statements.

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers The Maritime Union of Australia as an individual chief entity and its subsidiary company MUA HTS Pty Limited as an economic entity. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The Maritime Union of Australia is a Trade Union registered and domiciled in Australia.

The financial report of The Maritime Union of Australia and its subsidiary company for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the National Council on the 18th October 2012.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, (Including Australian Accounting Interpretations), and the *Fair Work (Registered Organisations) Act 2009*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by The Maritime Union of Australia at the end of the reporting period. A controlled entity is any entity over which The Maritime Union of Australia has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 18 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

b) Income Tax

No provision for income tax is necessary as *Trade Unions* are exempt from income tax under SS 50-15 of the Income Tax Assessment Act 1997.

**THE MARITIME UNION OF AUSTRALIA
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ABN 93 047 659 794**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

c) 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 Taxation 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.

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

d) Information to be provided to Members or the General Manager

In accordance with the requirements of the *Fair Work (Registered Organisation) Act 2009* the attention of members is drawn to the following sub sections of Section 272 of the Act which read as follows:

- i). A member of a reporting unit, or the General Manager, 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.
- ii). 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.
- iii). A reporting unit must comply with an application made under subsection (1).

e) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value, based on periodic, at least every 5 years valuations by external independent valuers, less subsequent depreciation and impairment for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited to the revaluation surplus in equity, any revaluation decrements are initially taken to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter, the decrements are taken to profit and loss.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by Officials to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Union and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of fixed asset	Effective life (years)	Depreciation Rate
Buildings	40 - 40	2.50%
Plant and Equipment	15 - 15	6.85%
Office Equipment	5 - 5	20.0%
Furniture & Fixtures	6.6 - 6.6	15.0%
Motor Vehicles	8 - 8	12.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

f) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Union commits itself to either purchase or sell the asset.

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between the initial amount and the maturity amount calculated using the effective interest method.

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The *effective interest method* is used to allocate interest income or expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when they cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset. Revisions to the expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expense in profit or loss.

The Union does not designate any interests in subsidiaries as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Union's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment

At the end of each reporting period, the Union assesses whether there is objective evidence that a financial asset has been impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") that has occurred, which has an impact on the estimated future cash flows of the financial assets.

In the case of available-for-sale financial instruments, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

g) Impairment of Assets

At the end of each reporting period, the Union assesses whether there is any indication that the asset maybe impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the assets ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset. Where it is not possible to estimate the recoverable amount of an individual asset, the union estimates the recoverable amount of the cash generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class f asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

h) Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Accrued expenditure

Accruals are recognised when there is a definitive commitment and where an obligation for the Union has arisen. Usually the Union accrues for the international conferences, election expenses, legal fees, and any other payables for which the Union has an estimate. Estimates are based on past year trends and current factors which may have an impact on the Union's obligations. During the current financial year the Union accrued for Union elections, international and national conferences.

j) Cash and Cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

k) Revenue

Revenue from member contributions is recognised on an accrual basis. These comprise of actual contributions received during the year and contributions due at reporting date.

Donations are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the statement of financial position.

When a grant revenue is received whereby the union has the obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise, the grant is recognised as income on receipt.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Revenue from rendering of a service is recognised upon the delivery of service to the customer.

All revenue is stated net of the amount of GST.

l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Union has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional Statement of Financial Position as at the beginning of the earliest comparative period will be disclosed.

(m) Trade and Other Receivables

Trade and other receivables include amounts due from member contributions as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Union during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

o) Critical Accounting Estimates and Judgements and Key Sources of Estimation Uncertainty

Estimation of useful lives of assets

The Union determines the estimated useful lives and related depreciation of assets. The useful lives can change from time to time due to technical innovations or some other events.

Long service leave provision

Long service leave is recognised and measured at present value of the estimated future cash flow to be made in respect of employees at the reporting date. In determining the present value of the liability, estimates of attribution rates, inflation and the probability of entitlement paid outs are taken into account.

p) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Union. The Union has decided not to early adopt any of the new and amended pronouncements. The Union's assessment of the new and amended pronouncements that are relevant to the Union but applicable in future reporting periods is set out below:

AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- (a) simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- (b) simplifying the requirements for embedded derivatives;
- (c) removing the tainting rules associated with held-to-maturity assets;
- (d) removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- (e) allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- (f) requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on:
 - (i) the objective of the entity's business model for managing the financial assets;
 - (ii) the characteristics of the contractual cash flows; and
 - (iii) requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Union has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013)

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

Since the Union is a not-for-profit private sector entity, it qualifies for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the Union will take advantage of Tier 2 reporting at a later date.

AASB 10: Consolidated Financial Statements

AASB 10 replaces parts of AASB 127 (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Union has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the Union.

AASB 2011-9: Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently. This Standard affects presentation only and is therefore not expected to significantly impact the Union.

AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Union does not have any defined benefit plans and so is not impacted by the amendment.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	Consolidated		Chief Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
2. Revenues				
Operating activities				
Union contributions	15,165,922	12,924,006	15,165,922	12,924,006
Donations	44,625	27,289	44,625	27,289
Consulting fees	205,684	262,848	205,684	262,848
Rent received	308,153	389,792	308,153	389,792
Profit (loss) on sale of non-current assets	(6,997)	23,720	(6,997)	23,720
Union sales	48,203	2,665	48,203	2,665
Expenses recouped	291,573	-	291,573	-
Sundry income	246,788	56,264	246,788	56,264
Total revenues	16,303,951	13,686,585	16,303,951	13,686,585
2.1 Income and Expenses from Non-operating Activities				
Interest received	117,186	178,971	117,186	178,971
Foreign exchange gain (loss)	3,861	(26,923)	3,861	(26,923)
Management fees	-	(6,484)	-	(6,484)
Income (loss) from managed funds	(370,256)	189,470	(370,256)	189,470
Other income	(249,209)	335,034	(249,209)	335,034
3. Expenses				
Depreciation for non-current assets				
Buildings	203,740	179,604	203,740	179,604
All other assets	439,293	409,554	439,293	409,554
Total depreciation	643,033	589,158	643,033	589,158
Employee benefits				
<i>Officials</i>				
Salaries and wages	2,685,673	2,524,730	2,685,673	2,524,730
Annual leave entitlement	71,507	74,178	71,507	74,178
Long service leave entitlement	82,427	64,681	82,427	64,681
Superannuation contributions	444,891	361,707	444,891	361,707
Other employment costs	348,620	469,364	348,620	469,364
	3,633,118	3,494,661	3,633,118	3,494,661

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NOTES TO THE FINANCIAL STATEMENTS
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	Consolidated		Chief Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
<i>Other employees</i>				
Salaries and wages	4,131,996	2,882,061	4,131,996	2,882,061
Annual leave entitlement	331,009	355,069	331,009	355,069
Long service leave entitlement	18,398	102,440	18,398	102,440
Superannuation contributions	559,809	429,617	559,809	429,617
Staff and member training	50,630	66,534	50,630	66,534
Other employment costs	536,364	439,265	536,364	439,265
	<u>5,628,206</u>	<u>4,274,986</u>	<u>5,628,206</u>	<u>4,274,986</u>
Total employee benefits	<u>9,261,324</u>	<u>7,769,646</u>	<u>9,261,324</u>	<u>7,769,646</u>

Other operating expenses

Remuneration of auditors:

- Audit services	45,000	42,178	45,000	42,178
- Other services	28,494	43,683	28,494	43,683
Legal expenses	396,976	470,279	396,976	470,279
Travelling	1,305,917	872,216	1,305,917	872,216
Affiliation fee and levies	182,113	181,271	182,113	181,271
Donation	218,208	232,796	218,208	232,796

4. Officials' Remuneration

The aggregate remuneration (including employee entitlements) 'received' by Officials and relieving Officials from the Union during the year:

3,206,124	3,025,296	3,206,124	3,025,296
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Number of chief entity Officials whose total remuneration from the chief entity, or any related parties, was within the following bands:

Salary Range	No. of Officials
\$95,000 - \$104,999	1
\$105,000 - \$114,999	3
\$115,000 - \$124,999	4
\$125,000 - \$134,999	10
\$135,000 - \$144,999	4

The above bands are inclusive of cash salaries, payment of employee benefits, and superannuation. Salaries have not been annualised for those Officials who did not hold office for the full financial year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Note	Consolidated		Chief Entity	
		2012	2011	2012	2011
		\$	\$	\$	\$
5. Cash and Cash Equivalents					
Cash at bank		97,540	2,391,152	90,471	2,384,083
Cash on hand		1,310	1,310	1,310	1,310
Deposits at call		1,200,000	1,200,000	1,200,000	1,200,000
		<u>1,298,850</u>	<u>3,592,462</u>	<u>1,291,781</u>	<u>3,585,393</u>
6. Trade and Other Receivables					
CURRENT					
Trade debtors		635,674	576,298	635,674	576,298
Accrued contributions		390,338	562,205	390,338	562,205
Loans to Officials		24,700	25,350	24,700	25,350
Other receivables		368,531	568,298	367,982	567,749
		<u>1,419,243</u>	<u>1,732,151</u>	<u>1,418,694</u>	<u>1,731,602</u>
NON-CURRENT					
Amount due from subsidiary	18	-	-	15,000	15,000
Loans to Officials	6(a)	320,997	325,961	320,997	325,961
		<u>320,997</u>	<u>325,961</u>	<u>335,997</u>	<u>340,961</u>
		<u>1,740,240</u>	<u>2,058,112</u>	<u>1,754,691</u>	<u>2,072,562</u>

(a) Loans to Officials

Amounts repaid during the year	24,700	25,350	24,700	25,350
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There are two loans outstanding to Officials as at 30 June 2012 amounting to \$345,697 (2011: \$349,311).

Names of the Officials (including ITF Officials) who hold loans from the Union are:

- Dean Summers
- Ian Bray

The loans are secured by mortgage over residential property and are made on normal commercial terms and conditions. The total interest received on loans to Officials for the year was \$19,736 [2011: \$19,770].

7. Investments

Managed funds at market value	5,256,445	5,566,004	5,256,445	5,566,004
Shares - listed	16,571	15,871	16,561	15,861
Shares in subsidiary	-	-	1	1
	<u>5,273,016</u>	<u>5,581,875</u>	<u>5,273,007</u>	<u>5,581,866</u>

Managed funds at market value

Managed funds are disclosed in the financial accounts as at 30 June 2012 at market value. The net revaluation increment/(decrement) of (\$370,256) [2011: \$189,470] has been debited to the statement of comprehensive income pursuant to Note 1 f (i) of the financial report.

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8. Property, Plant and Equipment

(a) Consolidated

Cost:

	Land & Buildings	Plant & Equipment	Office Equipment	Office Furniture	Motor Vehicles	Total
Balance 1 July 2011	22,996,057	912,444	1,651,037	759,995	1,207,070	27,526,603
Additions	768,576	24,801	259,356	168,342	413,878	1,634,953
Disposals	(9,259)	(8,765)	(530,323)	(74,133)	(322,968)	(945,448)
Revaluation increment	2,059,013	-	-	-	-	2,059,013
Balance at 30 June 2012	25,814,387	928,480	1,380,070	854,204	1,297,980	30,275,121

Accumulated Depreciation:

Balance at 1 July 2011	(494,720)	(399,587)	(1,186,078)	(562,174)	(480,287)	(3,122,846)
Depreciation	(203,740)	(48,696)	(173,813)	(62,452)	(154,332)	(643,033)
Disposals	-	8,765	520,929	74,132	245,006	848,832
Balance at 30 June 2012	(698,460)	(439,518)	(838,962)	(550,494)	(389,613)	(2,917,047)

Carrying Value

As at 30 June 2011	22,501,337	512,857	464,959	197,821	726,783	24,403,757
As at 30 June 2012	25,115,927	488,962	541,108	303,710	908,367	27,358,074

Land and buildings are stated at fair value, which has been determined based on valuations performed by Gentle & Co Pty Ltd, an accredited independent valuer, as at 30 June 2012. The fair value of the properties have been determined on transactions observable in the market.

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Property, Plant and Equipment

(b) Chief

Cost:

	Land & Buildings	Plant & Equipment	Office Equipment	Office Furniture	Motor Vehicles	Total
Balance 1 July 2011	22,996,057	912,444	1,651,037	759,995	1,207,070	27,526,603
Additions	768,576	24,801	259,356	168,342	413,878	1,634,953
Disposals	(9,259)	(8,765)	(530,323)	(74,133)	(322,968)	(945,448)
Revaluation increment	2,059,013	-	-	-	-	2,059,013
Balance at 30 June 2012	25,814,387	928,480	1,380,070	854,204	1,297,980	30,275,121

Accumulated Depreciation:

Balance at 1 July 2011	(494,720)	(399,587)	(1,186,078)	(562,174)	(480,287)	(3,122,846)
Depreciation	(203,740)	(48,696)	(173,813)	(62,452)	(154,332)	(643,033)
Disposals	-	8,765	520,929	74,132	245,006	848,832
Balance at 30 June 2012	(698,460)	(439,518)	(838,962)	(550,494)	(389,613)	(2,917,047)

Carrying Value

As at 30 June 2011	22,501,337	512,857	464,959	197,821	726,783	24,403,757
As at 30 June 2012	25,115,927	488,962	541,108	303,710	908,367	27,358,074

Land and buildings are stated at fair value, which has been determined based on valuations performed by Gentle & Co Pty Ltd, an accredited independent valuer, as at 30 June 2012. The fair value of the properties have been determined on transactions observable in the market.

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**NOTES TO THE FINANCIAL STATEMENTS
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	Consolidated		Chief Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
9. Trade and Other Payables				
Trade creditors	253,232	451,843	253,232	451,843
Other creditors	1,079,201	2,152,511	1,079,201	2,152,511
	1,332,433	2,604,354	1,332,433	2,604,354
10. Provisions				
CURRENT				
Employee entitlements	2,080,473	2,013,037	2,080,473	2,013,037
NON-CURRENT				
Employee entitlements	1,153,424	1,224,346	1,153,424	1,224,346
Aggregate employee benefit liability	3,233,897	3,237,383	3,233,897	3,237,383
Number of employees at year-end	82	76	82	76
11. Fighting Fund Reserve	18,739	18,739	18,739	18,739

The fighting fund was set up to advance the defence of the Union's interest. Ongoing contributions to the fighting fund by the Union will be dependent on prevailing requirements.

12. Contingent Liabilities

The maximum amount of contingent liabilities that may become payable are:

-	-	-	-
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The Union regularly engages legal action in support of its members. These cases are often ongoing pending court outcomes and are considered activities common to the Union's operations.

Litigation claims

The re are no claims for outstanding proceedings against the Union.

13. Events Subsequent to Reporting Date

There has not arisen in the interval between the reporting date and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Officials of the Union, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

14. Related Party Transactions

There are no transactions between the parent entity and its subsidiary during the year. The Maritime Union of Australia has made loans to the Officials of the Union on normal commercial terms and are at call. The loans are secured by mortgage over residential property (refer to Note 6).

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**NOTES TO THE FINANCIAL STATEMENTS
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	Consolidated		Chief Entity	
	2012	2011	2012	2011
	\$	\$	\$	\$
15. Cash Flow Information				
(a) Reconciliation of Cash				
Cash at the end of the financial year as shown in the Statement of Cash Flows is represented as:				
Cash at bank	97,540	2,391,152	90,471	2,384,083
Cash on hand	1,310	1,310	1,310	1,310
Deposits at call	1,200,000	1,200,000	1,200,000	1,200,000
	<u>1,298,850</u>	<u>3,592,462</u>	<u>1,291,781</u>	<u>3,585,393</u>
(b) Reconciliation of Cash Flow from Operations with Surplus from Ordinary Activities after Income Tax				
Surplus/(deficit) from operating activities	(445,325)	142,928	(445,325)	142,928
Non-cash flows in surplus/(deficit) from ordinary activities:				
Depreciation	643,033	589,158	643,033	589,158
Net (gain)/loss on disposal	6,997	(23,720)	6,997	(23,720)
Changes in assets and liabilities :				
(Increase)/decrease in receivables	264,021	(414,099)	264,021	(414,099)
Increase/(decrease) in payables	(1,271,921)	786,972	(1,271,921)	786,972
Increase/(decrease) in provisions	(3,486)	230,307	(3,486)	230,307
Cash flows from operations	<u>(806,681)</u>	<u>1,311,546</u>	<u>(806,681)</u>	<u>1,311,546</u>

16. Financial Risk Management

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, interest rate risk and equity price risk.

a. Credit risk

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

Credit risk exposures

The Union has no significant concentration of credit risk with any single counterparty or group of counterparties.

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FOR THE YEAR ENDED 30 JUNE 2012**

16. Financial Risk Management (continued)

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position.

b. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

c. Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

The Union is exposed to securities price risk on available-for-sale investments. Such risk is managed through diversification of investments across industries and geographic locations. The Union's investments are held in diversified management fund portfolios.

Sensitivity analysis

The following table illustrates sensitivities to the Union's exposure to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reporting at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit	Equity
	\$	\$
Year ended 30 June 2012		
+/- 2% in interest rates	30,420	30,420
+/- 10% in fair value of financial assets	527,302	527,302
Year ended 30 June 2011		
+/- 2% in interest rates	30,519	30,519
+/- 10% in fair value of financial assets	558,188	558,188

17. Segment Reporting

The economic entity operates predominantly in one business and geographical segment being Trade Union services in Australia.

18. Controlled Entities

Subsidiary: MUA HTS Pty Limited
Country of incorporation: Australia
Percentage owned: 100% (2010: 100%)

19. Union Details

The national office of the Union is located at:
Level 2
365-375 Sussex Street
SYDNEY NSW 2000

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

20. Financial Instruments

Interest Rate Risk

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on those financial assets and financial liabilities is as follows:

	Weighted Average Effective Interest		Floating Interest Rates		Non-interest Bearing	
	2012 %	2011 %	2012 \$	2011 \$	2012 \$	2011 \$
Consolidated						
Financial Assets						
Cash at bank	5.4%	5.2%	1,298,850	3,592,462	-	-
Receivables	5.5%	5.6%	345,697	351,311	1,394,543	1,706,801
Investment	-	-	-	-	5,273,016	5,581,875
				3,943,773	6,667,559	7,288,676
Financial Liabilities						
Payables	-	-	-	-	1,332,433	2,604,354
				-	1,332,433	2,604,354
Chief Entity						
Financial Assets						
Cash at bank	5.4%	5.2%	1,291,781	3,585,393	-	-
Receivables	5.5%	5.6%	345,697	351,311	1,393,994	1,706,252
Investment	-	-	-	-	5,273,007	5,581,866
			1,637,478	3,936,704	6,667,001	7,288,118
Financial Liabilities						
Payables	-	-	-	-	1,332,433	2,604,354
				-	1,332,433	2,604,354

Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at reporting date adjusted for transaction costs expected to be incurred. For other assets and other liabilities net fair value approximates their carrying value. No financial assets, where the carrying amount exceeds net fair values, have been written down as these assets will be held to maturity.

The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed as financial liabilities in the Statement of Financial Position and in the Notes to the Financial Statements.

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012**

In accordance with the resolution of the National Council, we state that in the opinion of the Council:

- (a) The financial statements and notes comply with the Australian Accounting Standards (including the Australian Accounting Interpretations).
- (b) The financial statements and notes comply with the reporting guidelines of the *Fair Work (Registered Organisations) Act 2009*.
- (c) The accompanying financial statements and notes are prepared so as to give a true and fair view of the financial performance, financial position and cash flows of the Group for the financial year ended 30 June 2012.
- (d) There are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable.
- (e) During the financial year to which the financial report relates and since the end of the year:
 - (i) meetings of the National Council were held in accordance with the rules of the organisation
 - (ii) the financial affairs of the Union have been managed in accordance with the rules of the organisation
 - (iii) the financial records of the Union have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*
 - (iv) to the knowledge and belief of the National Council, during the financial year to which the financial report relates, there have been no instances where records of the organisation or other documents or copies of those records or other documents, have not been furnished, or made available to members of the organisation or the Registrar in accordance with section 272 of the *Fair Work (Registered Organisations) Act 2009*
 - (v) the organisation has kept its records, as far as practicable, in a consistent manner
 - (vi) with regard to funds of the organisation raised by the compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated; and
 - (vii) no orders have been made by the Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009* during the period.

Signed at Sydney this 18th of October 2012



.....
M. Doleman
Deputy National Secretary



.....
M. Carr
Branch Secretary

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion, the general purpose financial report of The Maritime Union of Australia and its subsidiary:

- (a) gives a true and fair view of the Union's and economic entity's financial position as at 30 June 2012 and of their performance for the year ended on that date in accordance with Australian Accounting Standards;
- (b) the financial report also complies with International Financial Accounting Standards as disclosed in Note 1; and
- (c) complies with Accounting Standards in Australia (including the Australian Accounting Interpretations), and the *Fair Work (Registered Organisations) Act 2009*.

Harveys Chartered Accountants

D.P. Robinson
Principal

Dated this 18th day of October 2012

Level 3
2 Bulletin Place
SYDNEY NSW 2000

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

**ITEMISED STATEMENT OF COMPREHENSIVE
FOR THE YEAR ENDED 30 JUNE 2012**

	Consolidated		Chief Entity	
	2012	2011	2,012	2011
	\$	\$	\$	\$
Operating income				
Union contributions	15,165,922	12,924,006	15,165,922	12,924,006
Donations	44,625	27,289	44,625	27,289
Consulting fees	205,684	262,848	205,684	262,848
Rent received	308,153	389,792	308,153	389,792
Profit/(loss) on sale of non-current assets	(6,997)	23,720	(6,997)	23,720
Union sales	48,203	2,665	48,203	2,665
Expenses recouped	291,573	-	291,573	-
Sundry income	246,788	56,264	246,788	56,264
Total operating income	16,303,951	13,686,585	16,303,951	13,686,585
Compensation and benefit				
Direct salaries - Officials	2,685,673	2,524,730	2,685,673	2,524,730
Direct salaries - Staff	4,022,304	2,882,061	4,022,304	2,882,061
Fringe benefits tax	118,958	113,885	118,958	113,885
Motor vehicle expenses	267,563	254,316	267,563	254,316
Payroll tax	408,406	341,183	408,406	341,183
Staff & Official training	50,630	66,534	50,630	66,534
Superannuation	1,004,700	791,324	1,004,700	791,324
Employee entitlement expense	503,341	596,367	503,341	596,367
Temporary staff	109,692	125,527	109,692	125,527
Workers compensation insurance	90,057	73,717	90,057	73,717
Total compensation and benefit	9,261,324	7,769,646	9,261,324	7,769,646
General expenses				
Audit & accountancy	73,494	85,861	73,494	85,861
Bank charges	75,943	61,539	75,943	61,539
Depreciation	439,293	409,554	439,293	409,554
Donations	218,208	232,796	218,208	232,796
Insurance - general	21,865	13,374	21,865	13,374
Merchandise	58,214	-	58,214	-
National Council expenses	35,942	85,041	35,942	85,041
Office expenses	113,110	60,809	113,110	60,809
Media activities	108,647	270,943	108,647	270,943
Postage and freight	86,117	72,668	86,117	72,668
Printing and stationery	299,451	215,540	299,451	215,540
Provision for bad debts expense	150,528	-	150,528	-
Repairs and maintenance	43,884	43,288	43,884	43,288
Subscriptions, newspapers & periodicals	69,746	47,070	69,746	47,070
Sundry expenses	15,655	5,049	15,655	5,049
Total general expenses	1,810,097	1,603,533	1,810,097	1,603,533

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

**ITEMISED STATEMENT OF COMPREHENSIVE
FOR THE YEAR ENDED 30 JUNE 2012**

	Consolidated		Chief Entity	
	2012	2011	2,012	2011
	\$	\$	\$	\$
Occupancy expenses				
Cleaning	199,334	158,814	199,334	158,814
Building depreciation	203,740	179,604	203,740	179,604
Security	34,846	30,607	34,846	30,607
Electricity	161,920	133,974	161,920	133,974
Property insurance	52,965	38,290	52,965	38,290
Property rates	182,670	172,602	182,670	172,602
Property sales and purchase costs	3,534	-	3,534	-
Rent	41,786	35,743	41,786	35,743
Repairs & maintenance	183,175	127,931	183,175	127,931
Total occupancy expenses	1,063,970	877,564	1,063,970	877,564
Industrial & member services				
Affiliation fees & levies	182,113	181,271	182,113	181,271
Business expenses	75,745	129,082	75,745	129,082
Conferences - International	369,969	282,139	369,969	282,139
Conferences - National	1,008,023	318,991	1,008,023	318,991
Fares & travel	1,305,917	872,216	1,305,917	872,216
Funeral expenses	5,375	6,574	5,375	6,574
Legal expenses	396,976	470,279	396,976	470,279
Member training	65,248	32,909	65,248	32,909
Research & professional services	114,106	1,250	114,106	1,250
Stop work meeting expenses	8,544	2,288	8,544	2,288
Union restructure	163,720	67,607	163,720	67,607
Union publications	130,965	144,525	130,965	144,525
ALP elections	-	14,802	-	14,802
Total industrial & member services	3,826,701	2,523,932	3,826,701	2,523,932
IT & telecommunications expenses				
Computer consumables	10,300	7,432	10,300	7,432
Internet expenses	190,032	163,489	190,032	163,489
IT support & maintenance	194,381	239,873	194,381	239,873
Telephone	347,869	337,276	347,869	337,276
Video and teleconference	44,602	20,912	44,602	20,912
Total IT & telecommunications expenses	787,184	768,982	787,184	768,982
Total operating expenses	16,749,276	13,543,658	16,749,276	13,543,658
Operating surplus/(deficit)	(445,325)	142,928	(445,325)	142,928

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY
ABN 93 047 659 794**

**ITEMISED STATEMENT OF COMPREHENSIVE
FOR THE YEAR ENDED 30 JUNE 2012**

	Consolidated		Chief Entity	
	2012	2011	2,012	2011
	\$	\$	\$	\$
Non-operating income/(expenses)				
Loss on investments	(557,752)	(13,810)	(557,752)	(13,810)
Income from managed funds	187,496	203,280	187,496	203,280
Foreign current exchange gain/(loss)	3,861	(26,923)	3,861	(26,923)
Interest received	117,186	178,971	117,186	178,971
Management fees	-	(6,484)	-	(6,484)
Total non-operating income/(expenses)	<u>(249,209)</u>	<u>335,034</u>	<u>(249,209)</u>	<u>335,034</u>
Net surplus/(deficit)	(694,534)	477,962	(694,534)	477,962
Revaluation of land and buildings	2,059,013	-	2,059,013	-
Total comprehensive income	<u><u>1,364,479</u></u>	<u><u>477,962</u></u>	<u><u>1,364,479</u></u>	<u><u>477,962</u></u>

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY COMPANY**
ABN 93 047 659 794

**CONSOLIDATED COMPREHENSIVE INCOME/(LOSS)
6 YEAR COMPARATIVE**

	2012	2011	2010	2009	2008	2007	6 Year Average
Operating surplus/(deficit)before income tax	(445,325)	142,928	(256,056)	(133,822)	159,718	155,909	(62,775)
Non-operating income/(expenses)							
Increase/(decrease) in investments	(557,752)	(13,810)	366,108	(1,310,584)	(2,266,261)	1,069,119	(452,197)
Income from managed funds	187,496	203,280	457,274	695,695	702,179	414,630	443,426
Foreign current exchange gain/(loss)	3,861	(26,923)	131,206	178,838	194,756	198,604	113,390
Interest received	117,186	178,971	(4,761)	(7,010)	(73,623)	(39,501)	28,544
Management fees	-	(6,484)	-	(6,417)	(4,500)		(3,480)
Fighting fund expenses	-	-	-	-	(993,640)		(198,728)
Revaluation of land and buildings	2,059,013	-	-	-	-	6,004,936	1,343,992
Total non-operating income/(expenses)	1,809,804	335,035	949,827	(449,478)	(2,441,089)	7,647,788	1,308,648
Net surplus/(deficit)	1,364,479	477,962	693,771	(583,300)	(2,281,371)	7,803,697	1,245,873

THE MARITIME UNION OF AUSTRALIA AND ITS SUBSIDIARY
CONCISE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2012



The Concise Financial Report is an extract from the Union's Full Financial Report for the year ended 30 June 2012. The Financial Statements and specific disclosures in the Concise Financial Report have been derived from the Full Financial Report. A copy of the Full Financial Report is available to members at any branch of the Maritime Union of Australia.

AUDITOR'S OPINION

The audit of the Maritime Union of Australia and its subsidiary's Financial Report for the financial year ended 30 June 2012 resulted in an Unqualified Independent Auditor's Report.

OPERATING REPORT

The names of the officials in office at any time during the financial year and to the date of this report are:

Austin, A (Retired 1 July 2011)	Covell, L * (Retired 1 July 2011)	McAfeer, P
Boyle, J (Retired 1 July 2011)	Crumlin, P	Munday, T
Bull, P * (Retired 1 July 2011)	Cushion, D	Newlyn, J
Bracken, K	Deakin, J	Outram, D * (Appointed 1 July 2011)
Bray, J	Doleman, M	Patchett, R
Burford, A *	Evans, A	Schleibs, D
Cain, C	Garrett, P	Sheehan, P
Campbell, J	Hill, I * (Appointed 1 July 2011)	Smith, W
Carr, M	Horgan, L * (Retired 1 July 2011)	Tracey, W
Carter, S * (Appointed 1 July 2011)	Keane, G	Williams, G (Appointed 1 July 2011)
Clothier, C *	Keating, P	

Officials have been in office since the start of the financial year to the date of this report unless otherwise stated.

No significant changes in the Union's state of affairs occurred during the financial year.

The principal activities of the Union during the financial year were the provision of Trade Union services to its members. No significant change in the nature of these activities occurred during the year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the reporting unit in future financial years.

The Union operates predominantly in one business and geographical segment being Trade Union services in Australia.

All transactions and balances are reported in local currency unless otherwise stated.

Revenue from member contributions is recognised on an accrual basis. These comprise of actual contributions received during the year and contributions due at reporting date.

The lead Auditor's Independence Declaration for the year ended 30 June 2012 has been received and can be found on page 5 of the Full Financial Report.

The Financial Report of The Maritime Union of Australia and its Subsidiary Company for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the National Council on the 18th of October 2012.

INCOME STATEMENT	Consolidated		Chief	
	2012	2011	2012	2011
Operating income and expenses				
Revenues from operating activities	16,303,951	13,686,584	16,303,951	13,686,584
Employee benefits expense	(9,261,324)	(7,769,646)	(9,261,324)	(7,769,646)
Depreciation and amortisation expenses	(643,033)	(589,159)	(643,033)	(589,159)
Other expenses from ordinary activities	(6,844,919)	(5,184,852)	(6,844,919)	(5,184,852)
Operating surplus/(deficit)	(445,325)	142,928	(445,325)	142,928
Non-operating income and expenses				
increase/(Decrease) in investments	(557,752)	(13,810)	(557,752)	(13,810)
Income from managed investments	187,496	203,280	187,496	203,280
Foreign currency exchange gain/(loss)	3,861	(26,923)	3,861	(26,923)
Interest received	117,186	178,971	117,186	178,971
Management fees	-	(6,484)	-	(6,484)
Property revaluations	2,059,013	-	2,059,013	-
Non-operating income and expenses	1,809,804	335,034	1,809,804	335,034
Net surplus/(deficit) from ordinary activities	1,364,479	477,962	1,364,479	477,962

THE MARITIME UNION OF AUSTRALIA AND ITS SUBSIDIARY
CONCISE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2012



BALANCE SHEET	Consolidated		Chief	
	2012	2011	2012	2011
Current assets	2,773,190	5,324,613	2,765,572	5,316,995
Non-current assets	32,952,087	30,311,592	32,967,078	30,326,583
Total assets	35,725,277	35,636,205	35,732,650	35,643,578
Current liabilities	3,412,906	4,617,391	3,412,906	4,617,391
Non-current liabilities	1,153,424	1,224,346	1,153,424	1,224,346
Total liabilities	4,566,330	5,841,737	4,566,330	5,841,737
Members' equity	31,158,947	29,794,468	31,166,320	29,801,841

CASH FLOW STATEMENT	Consolidated		Chief	
	2012	2011	2012	2011
CASH FLOW FROM ORDINARY ACTIVITIES				
Receipts from members	16,392,691	14,247,733	16,392,691	14,247,733
Payments to suppliers and employees	(18,408,189)	(13,713,387)	(18,408,189)	(13,713,387)
Rent received	317,398	428,771	317,398	428,771
Other receipts	846,794	321,139	846,794	321,139
Donations	44,625	27,289	44,625	27,289
Net cash provided by/(used in) operating activities	(806,681)	1,311,545	(806,681)	1,311,545
CASH FLOW FROM INVESTING ACTIVITIES				
Interest received	98,100	178,971	98,100	178,971
Repayment of Official loan	24,700	5,581	24,700	5,581
Proceeds from sale of investments	-	1,262,012	-	1,262,012
Purchase of investments	(61,397)	-	(61,397)	-
Proceeds from sale of property, plant and equipment	86,619	112,764	86,619	112,764
Purchase of property, plant and equipment	(1,634,953)	(2,292,188)	(1,634,953)	(2,292,188)
Net cash used in investing activities	(1,486,931)	(732,860)	(1,486,931)	(732,860)
Net increase/(decrease) in cash and cash equivalents	(2,293,612)	578,685	(2,293,612)	578,685
Cash and cash equivalent at the beginning of the financial year	3,592,462	3,013,776	3,585,393	3,006,707
Cash and cash equivalent at the end of the financial year	1,298,850	3,592,461	1,291,781	3,585,392

CHANGE IN MEMBERS EQUITY	Fighting Fund Reserve	Revaluation Reserve	Retained Surplus	Total Equity
Consolidated				
At 1 July 2010	18,739	-	29,297,767	29,316,506
Net surplus for the year	-	-	477,962	477,962
At 30 June 2011	18,739	-	29,775,729	29,794,468
Net deficit for the year	-	-	(694,534)	(694,534)
Other comprehensive income	-	2,059,013.00	-	2,059,013
Total comprehensive income	-	2,059,013	(694,534)	1,364,479
At 30 June 2012	18,739	2,059,013.00	29,081,195	31,158,947
Chief Entity				
At 1 July 2010	18,739	-	29,305,140	29,323,879
Net surplus for the year	-	-	477,962	477,962
At 30 June 2011	18,739	-	29,783,102	29,801,841
Net deficit for the year	-	-	(694,534)	(694,534)
Other comprehensive income	-	2,059,013	-	2,059,013
Total comprehensive income	-	2,059,013	(694,534)	1,364,479
At 30 June 2012	18,739	2,059,013	29,088,568	31,166,320

End of Concise Financial Report

TRANSACTION REPORT

08/FEB/2013/FRI 10:29

FAX (TX)

#	DATE	START T.	RECEIVER	COM.TIME	PAGE	TYPE/NOTE	FILE
001	08/FEB	10:19	0293806990	0:09:54	37	MEMORY OK	G3 2948

The Maritime Union Of Australia National Office



Paddy Crumlin - National Secretary | Mick Doleman - Deputy National Secretary
Ian Bray and Warren Smith - Assistant National Secretaries

MUA Ref: 13/2/8/533

8 February 2013

The Registrar
Fair Work Australia
Level 8, Terrace Tower
80 William Street
EAST SYDNEY NSW 2011

Fax: 02 9380 6990

Email: sydney@fwc.gov.au

Attention: Mr Stephen Kellett

Email: stephen.kellett@fwc.gov.au

Dear Registrar

Re: **AUDITED FINANCIAL REPORT FOR YEAR ENDING 30 JUNE 2012**

Enclosed herewith are the following documents for lodgment by the Maritime Union of Australia:

- Audited financial report for the year ended 30 June 2012
- Section 268 Certificate

Yours sincerely

Michael Burns
Acting National Legal Officer
Maritime Union of Australia

Encl.



FAIR WORK
COMMISSION

23 January 2013

Mr Padraig Crumlin
National Secretary
The Maritime Union of Australia

Sent by fax: (02) 9261 3481

Dear Mr Crumlin,

Failure to lodge audited financial report - [FR2012/228]

Our records indicate that The Maritime Union of Australia (the reporting unit) has failed to lodge its audited financial report for the financial year ended 30 June 2012 despite Fair Work Australia (as it was) reminding the reporting unit of its obligation to do so by letter dated 16 July 2012.

As you have previously been advised, section 268 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires reporting units to lodge an audited financial report with the Fair Work Commission within a maximum of 6 months and 14 days of the end of their financial year (that is, no later than 14 January 2013).

Paragraph 7.4 of the FWC Regulatory Compliance Policy (a copy of which is attached) states as follows:

- 7.4 Where the possible contravention involves failure by an organisation, branch or reporting unit to lodge a matter with FWC in accordance with the timeframes specified in the RO Act, RO Regulations or the rules of the organisation, branch or reporting unit:*
- a. The Regulatory Compliance Branch will contact the organisation, branch or reporting unit, by telephone and/or in writing, within two weeks to advise that lodgement is overdue;*
 - b. If lodgement has not occurred within one month of the timeframe specified in the RO Act, RO Regulations or rules, the Regulatory Compliance Branch will advise the organisation, branch or reporting unit that it is seeking voluntary compliance within a specified timeframe and that, in the absence of such voluntary compliance without cause, FWC will commence an inquiry or investigation or initiate court proceedings; and*
 - c. If lodgement has not occurred within the timeframe specified in the correspondence referred to in paragraph b and the organisation, branch or reporting unit has not been able to show cause regarding why it should not do so, FWC will commence an inquiry or investigation or initiate court proceedings in accordance with this policy as soon as reasonably practicable.*

Section 331 of the RO Act empowers the General Manager of the Fair Work Commission to investigate compliance by a reporting unit (such as The Maritime Union of Australia), its officers, employees and auditor(s) with:

- Part 3 of Chapter 8 of the RO Act;
- the reporting guidelines made under that Part;
- the regulations made for the purposes of that Part;
- the Maritime Union of Australia, The rules regarding finances and financial administration; and
- civil penalty provisions of the RO Act (see s.305).

In accordance with the processes specified in paragraph 7.4(b) of the *FWC Regulatory Compliance Policy* which are set out above, the reporting unit is required to lodge its outstanding audited financial report with the Fair Work Commission by no later than 14 February 2013.

Should the reporting unit fail to do so without reasonable cause, the Fair Work Commission may commence an investigation under s.331 of the RO Act without further notice.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at robert.pfeiffer@fwc.gov.au.

Yours sincerely,



Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch



16 July 2012

Mr Padraig Crumlin
National Secretary
The Maritime Union of Australia
Level 2, 365 Sussex Street
SYDNEY NSW 2000

Dear Mr Crumlin

Lodgement of Financial Documents for year ended 30 June 2012 - Fair Work (Registered Organisations) Act 2009 ("the FW(RO) Act") - The Maritime Union of Australia (FR2012/228)

The financial year of the Maritime Union of Australia (the "reporting unit") has recently ended. This is a courtesy letter to remind you of the obligation to prepare and process the reporting unit's financial documents. The full financial report must be lodged with Fair Work Australia within the prescribed time period of 6 months and 14 days of the end of the financial year.

The FW(RO) Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. The attached *Timeline/Planner* summarises these requirements.

In addition, financial reporting fact sheets and sample documents can be found on the Fair Work Australia website. The information can be viewed at [FWA Registered Organisations Fact Sheets](#). This site also contains the General Manager's Reporting Guidelines which set out mandatory financial disclosures.

I draw your particular attention to section 237 of the FW(RO) Act which provides that where the reporting unit makes individual loans, grants or donations exceeding \$1,000, a separate statement containing prescribed particulars must be lodged within 90 days of the end of the financial year, i.e. by 30 September.

If you need any further information or if you believe you will be unable to lodge the full financial report within the period mentioned above please contact me on (02) 6723 7097 or by email at stephen.kellett@fwa.gov.au

Yours sincerely,

Stephen Kellett
Organisations, Research & Advice
Fair Work Australia

TIMELINE/ PLANNER

Financial reporting period ending:	30/ 06 /2012
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1. Prepare financial statements and Operating Report.

1(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /
1(b) A #designated officer must sign the Committee of Management Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	/ /

As soon as practicable after end of financial year

This step must be completed and the Statement signed first

2. Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
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*Within a reasonable time of having received the GPFR
(NB: Auditor's report must be dated on or after date of Committee of Management Statement*

3. Provide full report free of charge to members – s265 The full report must include: <ul style="list-style-type: none"> • the General Purpose Financial Report (which includes the Committee of Management Statement); • the Auditor's Report; and • the Operating Report. 	/ /
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*(a) if the report is to be presented to a General Meeting the report must be provided to members 21 days before the General Meeting,

or
(b) if 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.*

4. Present full report to second meeting: (a) General Meeting of Members - s266 (1),(2); OR (b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ / / /
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Within 6 months of end of financial year

Within 6 months of end of financial year

5. Lodge full report with Fair Work Australia, together with the #Designated Officer's certificate++ – s268	/ /
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Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.

