



FAIR WORK
COMMISSION

31 March 2017

Mr Pdraig Crumlin
National Secretary
The Maritime Union of Australia

By email: george.zorbas@mua.org.au

Dear Mr Crumlin

Re: Lodgement of Financial Statements and Accounts – The Maritime Union of Australia - for year ended 30 June 2016 (FR2016/72)

I refer to the financial statements and accounts for the Maritime Union of Australia. A copy of the full report and the concise report were lodged with the Fair Work Commission on 21 December 2016. A copy of a revised concise report was received today.

The financial report for the year ended 30 June 2016 has now been filed. You are not required to take any further action in respect of the report lodged other than to make the revised concise report available to members via the organisation's website.¹

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and Reporting Guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review.²

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, please do not hesitate to contact me.

¹ The revised concise report will also be posted to the FWC website

² For the full list of requirements that applied to the year ended 30 June 2016 see the advanced checklist at <https://www.fwc.gov.au/documents/documents/organisations/factsheets/org-financial-report-checklist-advanced.pdf>

Yours sincerely

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

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

From: KELLETT, Stephen
Sent: Friday, 31 March 2017 12:11 PM
To: george.zorbas@mua.org.au
Subject: Attention Mr Pdraig Crumlin - financial reporting - y/e 30 June 2016 - filing

Dear Mr Zorbas,

Please see attached my letter in relation to the above.

Yours faithfully

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

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(mob.) 0429 462 979
(email) stephen.kellett@fwc.gov



MUA FR2016 72
(primary final).pdf

From: George Zorbas [mailto:george.zorbas@mua.org.au]
Sent: Friday, 31 March 2017 8:47 AM
To: KELLETT, Stephen
Subject: Lodgement of Revised MUA 2016 Concise Financial Report

Hi Stephen,

Please find attached the revised concise report of the MUA for 2016 as per the request of the FWC.

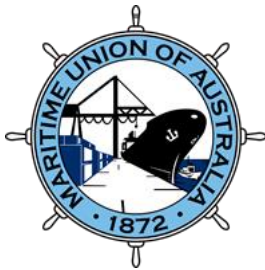
If you have any questions please feel free to contact me.

Regards,

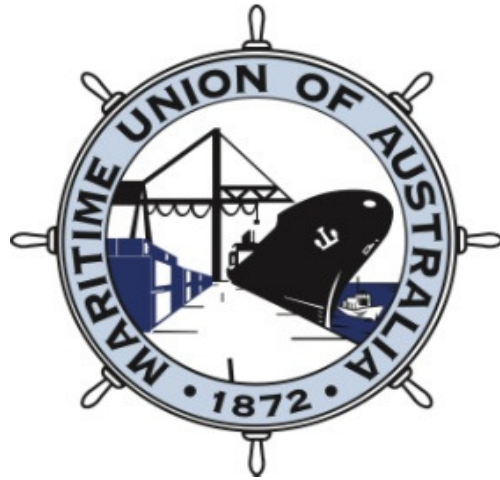
George

George Zorbas

Snr Bookkeeper and Compliance Officer
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MUA - NO YE16
Revised Concise Repc



THE MARITIME UNION OF AUSTRALIA

AND ITS SUBSIDIARY AND BRANCHES

ABN 93 047 659 794

CONCISE FINANCIAL REPORT

FOR THE YEAR ENDED

AS AT 30 JUNE 2016

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

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

OPERATING REPORT

Your National Council present their consolidated concise financial report on the Maritime Union of Australia ("Union"), consisting of the National Branch of the Union ("Federal"), the State Branches of the Union and the subsidiary company of the Union (MUA HTS Pty Limited) for the financial year ended 30 June 2016.

Union Officials

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

Bray, I	Clothier, C*	Jones, M	Outram, D *
Bull, A *	Crumlin, P	Keane, G	Patchett, R
Burford, A *	Deakin, J	Keating, P	Paterson, J *
Cain, C	Evans, A	Mayor, T	Smith, W
Cain, D	Gallagher, P	McAleer, P	Tracey, W
Campbell, J	Garrett, P	Miners, J	Williams, G
Carnegie, R	Hoy, J	Myers, M *	<i>*Honorary Electorate</i>
Cassar, J	Italia, J	Newlyn, J	

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 total comprehensive income of the Union for the financial year amounted to a surplus of \$4,349,717 (2015: \$1,286 deficit).

The number of members of the Union at the end of the financial year was 13,262 (2015: 14,366).

The number of employees of the reporting unit at the end of the financial year was 94 (2015: 86).

Discussion and Analysis of the Financial Factors

Statement of Comprehensive Income

The Union achieved a consolidated surplus of \$4,349,717 after sustaining an operating deficit of \$3,148,196. The surplus was due to the property revaluations carried out this year while the net operating deficit was a result of (1) a 6% reduction in membership contributions, (2) a relatively same level of expense compared to last year, and (3) a significant loss on our share investment portfolio.

Statement of Financial Position

Total assets have increased by \$6,886,263 due to (1) property revaluations, and (2) the refurbishment of the ground floor of the National Office Building to make way for state of the art training facilities for members. These increases were slightly affected by the sale of some share investments. The liabilities have increased by \$2,536,456 due to the loan taken out to finance the refurbishment.

Statement of Cash Flows

The Union had an overall decrease in cash of \$113,747 for the year.

The key areas to note are (1) increase in payments to suppliers and employees, (2) increase in rent received, (3) decrease in donations paid, (4) sale of share investments, (e) purchase of property, plant & equipment, including the refurbishment and (f) increase in borrowings to finance the refurbishment.

**THE MARITIME UNION OF AUSTRALIA
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OPERATING REPORT

Significant Changes in State of Affairs

No significant changes in the Union'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. The Objects of the Union are set out in Section 4 of the Union's Rules. No significant change in the nature of these activities occurred during the year.

Rights of Members to Resign

All members have a right to resign in accordance with Section 11 of the Union's Registered Rules and Section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009, a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or branch of the organisations.

Events Subsequent to the End of the Reporting Period

The Union has reclassified a few non-current assets as assets held for sale at 30 June 2016. Prior to the signing of this report, two out of the four assets have been sold at fair value amounting to \$2,317,470.

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 Union.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 5 of the report.

Superannuation Fund Office Holders

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

Crumlin, P

Newlyn, J

Signed in accordance with a resolution of the National Council:

Dated this 28th day of March 2017



P. Crumlin
National Secretary



W. Tracey
Deputy National Secretary



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 2016 there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Dated at Sydney on the 28th day of March 2017.

A handwritten signature in black ink, appearing to read 'ESV' with a checkmark-like flourish at the end.

ESV Accounting and Business Advisors

A handwritten signature in black ink, appearing to read 'David P. Robinson'.

David P. Robinson, FCA

Partner

Approved Auditor

Member of the Institute of Chartered Accountants Australia and New Zealand

**THE MARITIME UNION OF AUSTRALIA
AND ITS SUBSIDIARY AND BRANCHES**
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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	Consolidated		Federal	
		2016 \$	2015 \$	2016 \$	2015 \$
Operating activities					
Revenues	2	21,368,796	22,285,100	19,119,194	19,509,249
Employee benefits expense	3	(11,548,987)	(11,531,553)	(11,441,348)	(11,521,442)
Finance Cost		(303,234)	(195,416)	(303,234)	(195,416)
Depreciation and amortisation expenses		(1,015,756)	(876,461)	(968,307)	(834,169)
All other expenses	3	(10,966,570)	(11,036,431)	(9,483,894)	(9,213,710)
Net (deficit) from operating activities		(2,465,751)	(1,354,760)	(3,077,589)	(2,255,489)
Non-operating activities					
Other (expenses)/income		(682,445)	1,353,474	(716,586)	1,227,185
Net (deficit)/surplus from non-operating activities		(682,445)	1,353,474	(716,586)	1,227,185
Net (deficit) for the year		(3,148,196)	(1,286)	(3,794,175)	(1,028,304)
Other comprehensive income					
Gain on revaluation of land and buildings		7,497,913	-	7,513,263	-
Total comprehensive income/(loss) for the year		4,349,717	(1,286)	3,719,088	(1,028,304)

The accompanying notes form part of the financial statements.

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	Consolidated		Federal	
		2016 \$	2015 \$	2016 \$	2015 \$
CURRENT ASSETS					
Cash and cash equivalents		4,870,216	4,983,964	949,096	794,081
Inventories on hand		203,639	179,451	105,167	51,775
Trade and other receivables	4	1,852,609	1,165,282	1,624,070	1,081,771
Investments		6,305,468	9,891,655	5,397,156	8,980,726
Assets held for sale		3,207,471	-	3,207,471	-
TOTAL CURRENT ASSETS		16,439,403	16,220,352	11,282,960	10,908,353
NON-CURRENT ASSETS					
Trade and other receivables	4	104,540	113,519	119,540	128,519
Property, plant and equipment		38,064,784	31,224,852	37,140,008	30,297,624
Investment property		3,600,000	3,763,742	2,736,000	2,831,106
TOTAL NON-CURRENT ASSETS		41,769,324	35,102,113	39,995,548	33,257,249
TOTAL ASSETS		58,208,727	51,322,464	51,278,508	44,165,602
CURRENT LIABILITIES					
Trade and other payables	5	4,061,047	3,406,098	5,265,569	3,753,348
Employee Provisions	6	2,616,106	2,621,498	2,616,106	2,621,498
Borrowings		1,008,328	295,902	1,008,328	295,902
TOTAL CURRENT LIABILITIES		7,685,481	6,323,498	8,890,003	6,670,748
NON-CURRENT LIABILITIES					
Employee Provisions	6	593,542	1,538,829	593,542	1,538,829
Borrowings		5,760,517	3,640,667	5,760,517	3,640,667
TOTAL NON-CURRENT LIABILITIES		6,354,059	5,179,496	6,354,059	5,179,496
TOTAL LIABILITIES		14,039,540	11,502,994	15,244,062	11,850,244
NET ASSETS		44,169,187	39,819,470	36,034,446	32,315,358
MEMBERS' FUNDS					
Fighting fund reserve	7	18,739	18,739	18,739	18,739
Revaluation reserve		10,347,879	2,849,966	10,363,229	2,849,966
Other reserves	7	1,641,411	2,809,927	-	82,920
Retained surplus		32,161,158	34,140,838	25,652,478	29,363,733
TOTAL MEMBERS' FUNDS		44,169,187	39,819,470	36,034,446	32,315,358

The accompanying notes form part of the financial statements.

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

STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 2016

	Fighting Fund Reserve	Revaluation Reserve	General Reserves	Retained Surplus	Total Funds
	\$	\$	\$	\$	\$
CONSOLIDATED					
At 1 July 2014	18,739	2,849,966	4,206,807	32,745,244	39,820,756
Net surplus/(deficit) for the year	-	-	45,616	(46,902)	(1,286)
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	-	-	45,616	(46,902)	(1,286)
Transfer to Reserves	-	-	(1,442,496)	1,442,496	-
At 30 June 2015	18,739	2,849,966	2,809,927	34,140,838	39,819,470
Net (deficit) for the year	-	-	90,883	(3,239,079)	(3,148,196)
Other comprehensive income	-	7,497,913	-	-	7,497,913
Total comprehensive income	-	7,497,913	90,883	(3,239,079)	4,349,717
Transfer to Reserves	-	-	(1,259,399)	1,259,399	-
At 30 June 2016	18,739	10,347,879	1,641,411	32,161,158	44,169,187
FEDERAL					
At 1 July 2014	18,739	2,849,966	1,119,284	29,355,673	33,343,662
Net (deficit) for the year	-	-	-	(1,028,304)	(1,028,304)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	(1,028,304)	(1,028,304)
Transfer to Reserves	-	-	(1,036,364)	1,036,364	-
At 30 June 2015	18,739	2,849,966	82,920	29,363,733	32,315,358
Net (deficit) for the year	-	-	-	(3,794,175)	(3,794,175)
Other comprehensive income	-	7,513,263	-	-	7,513,263
Total comprehensive income	-	7,513,263	-	(3,794,175)	3,719,088
Transfer to Reserves	-	-	(82,920)	82,920	-
At 30 June 2016	18,739	10,363,229	-	25,652,478	36,034,446

The accompanying notes form part of the financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

	Consolidated		Federal	
	2016	2015	2016	2015
	\$	\$	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts from members	19,386,730	19,838,004	18,822,079	19,677,782
Payments to suppliers and employees	(24,315,366)	(18,704,047)	(22,437,542)	(19,402,381)
Interest Received	103,557	110,496	3,766	2,612
Commission Received	191,192	415,448	28,782	205,356
Rent received	1,140,746	419,085	1,111,544	380,451
Other receipts	455,094	654,599	220,352	715,022
Donations paid	(263,413)	(1,802,678)	(227,441)	(205,091)
Donations received	1,173,378	843,909	570,520	105,074
Net cash provided by/(used in) operating activities	(2,128,082)	1,774,816	(1,907,940)	1,478,825
CASH FLOW FROM INVESTING ACTIVITIES				
Interest received from investments	3,368	56,317	-	2,101
Sale of managed investments	3,195,000		3,195,000	
Proceeds from sale of property, plant and equipment	90,243	193,955	90,243	193,955
Purchase of property, plant and equipment	(3,621,693)	(978,400)	(3,571,467)	(967,490)
Purchase of investment property	(188,842)	(3,804,762)	(188,842)	(2,862,000)
Net cash (used in) investing activities	(521,924)	(4,532,890)	(475,066)	(3,625,451)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from borrowings	3,037,070	1,626,712	3,037,070	1,626,712
Repayment of borrowings	(508,138)	(322,924)	(508,028)	(322,924)
Repayment of Official loan/member's loan	7,327	35,800	8,979	7,983
Net cash provided by financing activities	2,536,259	1,339,588	2,538,021	1,311,771
Net (decrease)/increase in cash and cash equivalents	(113,747)	(1,418,486)	155,015	(842,838)
Cash and cash equivalent at the beginning of the financial year	4,983,963	6,402,449	794,081	1,636,919
Cash and cash equivalent at the end of the financial year	4,870,216	4,983,963	949,096	794,081

The accompanying notes form part of the financial statements.

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

**NOTES TO THE CONCISE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. Concise Report Statement

The Concise Financial Report is an extract from the Union's Full Financial Report for the year ended 30 June 2016. 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 and Auditor's Report will be sent to the member free of charge if the member asks for them and is also available to members at any branch of the Maritime Union of Australia.

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).

	Consolidated		Federal	
	2016	2015	2016	2015
	\$	\$	\$	\$
2. Revenue				
Operating activities				
Union contributions	16,082,822	16,941,166	16,092,715	16,873,701
Special purpose levies received	1,156,980	1,182,089	1,156,980	1,182,089
Special purpose levies paid	-	-	(1,156,980)	(1,182,089)
MJLFF levies received (refer to 2a)	1,155,120	1,376,018	1,155,120	1,376,018
Donations	1,173,377	843,909	570,520	105,074
Other operating revenues	1,800,497	1,941,918	1,300,839	1,154,456
Grants	-	-	-	-
Receipts from other reporting units	-	-	-	-
Capitation fees received	-	-	-	-
Total revenue	21,368,796	22,285,100	19,119,194	19,509,250

2(a). Maritime Jobs Legal Fighting Fund (MJLFF)

The purpose of the MJLFF is to raise funds and assist in contesting strategic litigation when required in the event that a judgment from the Court or law from the Parliament is contrary to the labour, human and civil rights and interests of the MUA, its officers and its members.

3. Expenses

Employee benefits

Officials

Salaries and wages	3,824,406	3,234,288	3,824,406	3,234,288
Annual leave entitlement	646,764	180,088	646,764	180,088
Long service leave entitlement	(260,316)	187,850	(260,316)	187,850
Superannuation contributions	586,191	488,598	586,191	488,598
Separation and redundancies	-	-	-	-
Other employment costs	520,844	436,812	505,137	418,140
	5,317,889	4,527,637	5,302,182	4,508,964

THE MARITIME UNION OF AUSTRALIA
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NOTES TO THE CONCISE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated		Federal	
	2016	2015	2016	2015
	\$	\$	\$	\$
3. Expenses				
Employee benefits (cont)				
<i>Other employees</i>				
Salaries and wages	4,848,513	5,193,735	4,848,513	5,193,735
Annual leave entitlement	(323,770)	225,190	(323,770)	225,190
Long service leave entitlement	176,603	25,703	176,603	25,703
Superannuation contributions	649,513	700,034	649,513	700,034
Staff and member training	111,663	153,338	109,181	151,419
Separation and redundancies	40,012	44,933	40,012	44,933
Other employment costs	728,564	660,983	639,114	671,464
	<u>6,231,098</u>	<u>7,003,916</u>	<u>6,139,166</u>	<u>7,012,478</u>
Total employee benefits	<u>11,548,987</u>	<u>11,531,553</u>	<u>11,441,348</u>	<u>11,521,442</u>
Other operating expenses				
<i>Affiliation fees and levies</i>				
ACTU Affiliation	69,328	67,691	69,328	67,691
Australian Labour Party	80,217	70,647	80,017	70,647
ITF Seafarers	40,032	44,669	40,032	44,669
Unions NSW - Trades & Labour Council	17,610	23,337	17,610	23,337
Unions NT - Trades & Labour Council	3,235	-	2,894	-
Unions QLD - Trades & Labour Council	(702)	150	(802)	-
Unions SA - Trades & Labour Council	7,868	4,157	7,868	4,157
Unions TAS - Trades & Labour Council	4,102	4,343	4,102	4,343
Unions VIC - Trades & Labour Council	11,454	13,547	11,454	13,547
Unions WA - Trades & Labour Council	34,424	29,723	34,424	29,723
Other Affiliations	20,813	25,868	6,659	21,385
	<u>288,381</u>	<u>284,133</u>	<u>273,586</u>	<u>279,499</u>
Consideration to employers for payroll deductions	-	-	-	-
Capitation fees paid	-	-	-	-
Compulsory levies paid	-	-	-	-
Penalties - via RO Act or RO Regulations	-	-	-	-
Grants	-	-	-	-
Conferences and meeting expenses	697,131	1,150,060	621,571	1,206,603
Fees/allowances - conferences and meetings	299,511	106,650	223,680	99,890
Travelling	1,810,754	1,296,914	1,623,896	1,184,468
<i>Donations</i>				
- Total paid that were \$1,000 or less	96,837	96,269	11,168	5,826
- Total paid that exceeded \$1,000	410,623	504,559	216,273	135,590
	<u>507,460</u>	<u>600,828</u>	<u>227,441</u>	<u>141,416</u>

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

**NOTES TO THE CONCISE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

	Consolidated		Federal	
	2016	2015	2016	2015
	\$	\$	\$	\$
3. Expenses (cont)				
<i>Legal expenses</i>				
- Litigation	1,957,369	1,991,962	1,951,127	1,979,480
- Other legal expense	68,273	139,340	68,176	139,328
	<u>2,025,642</u>	<u>2,131,302</u>	<u>2,019,303</u>	<u>2,118,809</u>
4. Trade and other receivables				
CURRENT				
Trade Debtors	555,469	335,386	550,727	259,328
Accrued Contributions	903,728	685,286	903,728	685,286
Other Receivables	393,412	144,610	169,615	137,157
Receivable from other reporting unit	-	-	-	-
Receivable from other related parties	-	-	-	-
	<u>1,852,609</u>	<u>1,165,282</u>	<u>1,624,070</u>	<u>1,081,771</u>
NON-CURRENT				
Amount due from subsidiary	-	-	15,000	15,000
Loans to Officials	104,540	113,519	104,540	113,519
	<u>104,540</u>	<u>113,519</u>	<u>119,540</u>	<u>128,519</u>
Total trade and other receivables	<u>1,957,149</u>	<u>1,278,801</u>	<u>1,743,610</u>	<u>1,210,290</u>
5. Trade and other payables				
Trade creditors	2,127,649	749,888	2,350,585	768,136
Other creditors	1,399,909	2,320,532	2,381,495	2,649,534
Legal costs - Other Matters	-	-	-	-
Legal costs - Litigations	370,652	173,814	370,652	173,814
Consideration to employers for payroll deduction	-	-	-	-
Payable to other related parties	162,837	161,864	162,837	161,864
Payable to other reporting unit	-	-	-	-
	<u>4,061,047</u>	<u>3,406,098</u>	<u>5,265,569</u>	<u>3,753,348</u>
6. Employee provisions				
CURRENT				
Annual leave				
Officials	985,570	1,260,329	985,570	1,260,329
Employees	807,958	1,361,169	807,958	1,361,169
Long service leave				
Officials	400,864	-	400,864	-
Employees	421,714	-	421,714	-
Separation and redundancies	-	-	-	-
Others	-	-	-	-
	<u>2,616,106</u>	<u>2,621,498</u>	<u>2,616,106</u>	<u>2,621,498</u>

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

**NOTES TO THE CONCISE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

	Consolidated		Federal	
	2016	2015	2016	2015
	\$	\$	\$	\$
6. Employee provisions (cont)				
NON-CURRENT				
Officials				
Long service leave	229,763	929,940	229,763	929,940
Separation and redundancies	-	-	-	-
Others	-	-	-	-
Employees				
Long service leave	363,779	608,889	363,779	608,889
Separation and redundancies	-	-	-	-
Others	-	-	-	-
	593,542	1,538,829	593,542	1,538,829
Aggregate employee benefit liability	3,209,648	4,160,327	3,209,648	4,160,327

7. Fighting fund reserve

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.

Other reserves

Training and Development Fund	-	1,259,397	-	82,920
Appeal and Welfare Fund	938,017	896,422	-	-
Point Peron Fund	42,501	(5,652)	-	-
Sustenance Fund	499,689	499,689	-	-
Special Purpose Fund	6,683	6,683	-	-
Sick and Accident Fund	103,654	103,413	-	-
Divers Fighting Fund	50,865	49,975	-	-
	1,641,409	2,809,927	-	82,920

The *Training & Development Fund* (held by the Federal Office and the Western Australian Branch) was set up to provide industry skills training to members, including through the provision of training infrastructure and delivery, and research and training materials and equipment, in order to improve employment opportunities for members, along with enhanced occupational health and safety awareness and competency. The receipts and expenses of the fund are as follows:

Receipts

Commission Income	-	415,448	-	205,356
Loan for investment property	-	1,626,712	-	1,626,712
Interest	-	280	-	280
Grants and donations	-	-	-	-
Other revenue	-	335,000	-	-
Total receipts	-	2,377,440	-	1,832,348

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

NOTES TO THE CONCISE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated		Federal	
	2016	2015	2016	2015
	\$	\$	\$	\$
7. Fighting fund reserve (cont)				
Disbursements				
Donation payments expenses	-	-	-	-
Purchase of investment property	-	3,804,762	-	2,862,000
Other expenses	-	15,174	-	6,712
Total disbursements	-	3,819,936	-	2,868,712
Surplus/(Deficit)	-	(1,442,496)	-	(1,036,364)

The balance of the Training & Development Fund has been transferred to General Reserves during the financial year.

The members of the Fremantle Port Committee pays additional levies to build up the Sickness, Accident and Funeral Fund (known as *Appeal and Welfare Fund*). The fund is used to provide financial assistance/benefits to members in distress and in hospital. It also provides funeral and death benefits and also assist widows and dependant children of deceased members. The fund is governed by rules and are accounted for appropriately as part of the Western Australian Branch's normal transactions.

The Western Australian Branch entered into a Lease Agreement with the Conservation and Land Management Executive Body of Western Australia, for *Point Peron* Site to be used for members recreation. The members contribute levies to the fund which are used to manage the site. Members also pay rent as they use the recreational site.

The *Sustenance and Special Purpose Fund* (held by the Sydney Branch) was set up to provide members assistance in their time of need and special branch actions.

The *Divers Fighting Fund* (held by the Victorian Branch) was set up by members working in the offshore diving industry and is utilised for the benefit of divers in need or other activities related to the offshore diving industry. The *Sick and Accident Fund*, on the other hand was set up to provide Victorian members assistance in their time of need through specific fund raising campaigns or donations.

8. Cash flows to/from other reporting unit and/or controlled entities.

The were no cash flows between reporting units and/or controlled entities.

9. Information required under the Reporting Guidelines for the purposes of Section 253, of the Fair Work

(1) There was no recovery of wages activity undertaken by the Union during the financial year (2015: Nil).

(2) The Union is liquid and does not rely on any other reporting unit to continue as a going concern. No financial support was received or given to/from any other reporting unit during or since the end financial year (2015: Nil).

(3) The Union did not acquire any assets nor liability during the financial year (2015: Nil) as a result of amalgamation, restructuring of branches, business combination or determination and revocation by the General Manager.

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

**NATIONAL COUNCIL'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

On 10 October 2016, the National Council of The Maritime Union of Australia passed the following resolution to the general purpose financial report (GPFR) for the year ended 30 June 2016:

The National Council, declares that in it's opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year ended to which they relate;
- (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 GPFR relates and since the end of that year:
 - (i) meetings of the National Council were held in accordance with the rules of the Union; and
 - (ii) the financial affairs of the Union have been managed in accordance with the rules of the Union; and
 - (iii) the financial records of the Union have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009 (RO Act)*; and
 - (iv) where the Union 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 with each of the other reporting units of the union; and
 - (v) where the information has been sought in any request by a member of the Union or General Manager duly made under Section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under Section 273 of the RO Act, there has been compliance; and
 - (vii) with regard to the funds of the Union 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.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the National Council.

Signed at Sydney this 28th day of March 2017



P. Crumlin
National Secretary



W. Tracey
Deputy National Secretary



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARITIME UNION OF AUSTRALIA AND ITS SUBSIDIARY

Report on the Concise Financial Report

We have audited the accompanying concise financial report of The Maritime Union of Australia, its Subsidiary and Branches (the "Union") comprises the statement of financial position, the statement of comprehensive income, statement of changes in members' fund and statement of cash flows, which are derived from the audited financial report of the Union for year then ended 30 June 2016. We expressed an unmodified audit opinion on that financial report in our report dated 20th October 2016. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards and accordingly reading the concise report is not a substitute for reading the audited financial report of the Union.

National Council's Responsibility for the Concise Financial Report

The National Council is responsible for the preparation of the financial report in accordance with the Australian Accounting Standards AASB 1039 *Concise Financial Reports* and the Fair Work (Registered Organisations) Act 2009.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Auditing Standards ASA 810 *Engagements to Report on Summary Financial Statements*. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgment, including the risk of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Union's preparation of concise financial report in order to design procedures that are appropriate in the circumstances, but not purpose of expressing an opinion on the effectiveness of Union's internal control. Our procedures included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Australian Accounting Standards AASB 1039: *Concise Financial Report* and the Fair Work (Registered Organisations) Act 2009.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARITIME UNION OF AUSTRALIA AND ITS SUBSIDIARY

Independence

In conducting our audit, we have complied with the independence requirements of the APES 110 - Code of Ethics for Professional Accountants and the Fair Work (Registered Organisations) Act 2009.

Opinion

In our opinion, the concise financial report of the Maritime Union of Australia, its subsidiary and branches for the year ended 30 June 2016 is consistent, in all material respects with the financial report from which it was derived and complies with Australian Accounting Standards AASB 1039: *Concise Financial Reports* and the Fair Work (Registered Organisations) Act 2009.

In accordance with the Reporting Guidelines for the purposes of Section 253, the following declarations are made in reference to the auditor:

- i. is a registered company auditor and a Partner of ESV Accounting and Business Advisors.
- ii. is a fellow of Chartered Accountants Australia and New Zealand, and holds a current Public Practice Certificate.

Dated this 28th day of March 2017

ESV Accounting and Business Advisors

David P. Robinson, FCA
Partner



FAIR WORK
COMMISSION

10 January 2017

Mr Padraig Crumlin
Secretary
The Maritime Union of Australia

By email: george.zorbas@mua.org.au

Dear Mr Crumlin

Re: Lodgement of Financial Statements and Accounts – The Maritime Union of Australia - for year ended 30 June 2016 (FR2016/72)

I refer to the financial statements and accounts for the Maritime Union of Australia. A copy of the full report and the concise report were lodged with the Fair Work Commission on 21 December 2016.

Non-compliance with previous request

The documents have not yet been filed. While we filed last year's financial report, certain issues were raised for the reporting unit to address in the preparation of future financial reports. In her letter in relation to the previous year's report, Ms Joanne Fenwick drew the organisation's attention to the requirement that concise reports comply with the General Manager's Reporting Guidelines. The concise report for the previous year had not complied. The concise report for 2016 contained the same errors, namely, omitting to include the disclosures, including non-activity statements, for the financial activity categories set out in those Guidelines. It also contained other omissions.

Omissions

In particular, the concise report did not include the following disclosures:

- 14(a) - periodic or membership subscriptions¹
- 14(c) - compulsory levies raised¹
- 14(d) - donations or grants received¹
- 16(c) - affiliation fees paid to each entity²
- 16(e)(iii) - the total amount paid in donations that were \$1,000 or less²
- 16(e)(iv) - the total amount paid in donations that exceeded \$1,000²
- 16(f)(i)-(iii) – employee benefits expenses for office-holders in relation to wages and salaries, leave entitlements and superannuation and other employment costs²
- 16(g)(i)-(iii) – employee benefits expenses for employees other than office-holders in relation to wages and salaries, leave entitlements and superannuation, separation and other employment costs²
- 16(h) - fees or allowances paid to persons to attend conferences or meetings as a representative of the reporting unit²
- 16(i) - expenses incurred with holding meeting of members or any conferences or meeting of councils, committees, panels or other bodies²
- 16(j)(i) – expenses incurred in respect of litigation³
- 16(j)(ii) – expenses incurred in respect of other legal costs²
- 20(b)(i) – payables in respect of litigation³

¹ Cf. Note 2 in full report

² Cf. Note 3 in full report

- 20(c)(i)-(ii) – provisions (payables) for office-holders in relation to annual leave and long service leave³
- 20(d)(i)-(ii) provisions (payables) for employees other than office-holders in relation to annual leave and long service leave³
- 22(d) - details of any transfer or withdrawal to a fund, account or controlled entity⁴
- 24 - cash flows to/from other controlled entity to be reported in Cash Flow Statement or in the notes to the GPF⁵

or the following non-activity disclosures:

- 10 - going concern financial support received from another reporting unit (refers to agreement regarding financial support not dollar amount)⁶
- 11 - going concern financial support provided to another reporting unit (refers to agreement regarding financial support not dollar amount)⁶
- 12 - acquired an asset or liability due to an amalgamation under Part 2 of Chapter 3, a restructure of the branches of an organisation, a determination or revocation by the General Manager⁷
- 14(b) - capitation fees received⁸
- 14(d) - grants received⁸
- 14(e) - financial support received from another reporting unit⁸
- 16(a) - fees incurred as consideration for employers making payroll deductions of membership subscriptions⁹
- 16(b) - capitation fees paid⁹
- 16(d) - compulsory levies imposed⁹
- 16(e) - grants paid⁹
- 16(f) – employee benefits expenses for office-holders in relation to separation and redundancies⁹
- 16(k) - penalties imposed under RO Act⁹
- 18(a) - receivable with another reporting unit¹⁰
- 18(b) - payable to another reporting unit¹¹
- 20(a) - payables to employers as consideration for employer making payroll deductions of membership subscriptions¹¹
- 20(b)(ii)- payables in respect of legal costs expenses related to other legal matters¹¹
- 20(c)(iii)-(iv) provisions (payables) in respect of employee benefits for office-holders in relation to separation and other employment costs¹¹
- 20(d)(iii)-(iv) provisions (payables) in respect of employee benefits for employees other than office-holders in relation to separation and other employment costs¹¹

In addition, the concise report did not comply with regulation 161 in the following respects:

- It included an abridged statement of financial position and thus could not be said to have included a balance sheet “presented as in the full report”, as required by regulation 161(a)(ii);
- It did not include “discussion and analysis of the principal factors affecting the financial performance, financial position and financial and investing activities of the reporting unit to assist the understanding of members” as required by regulation 161(c);

³ Cf. Note 11 in full report

⁴ Cf. Note 14 in full report

⁵ no cash flows to/from any controlled entity were separately disclosed in the full report.

⁶ Cf. Note 25(2) in full report

⁷ Cf. Note 25(3) in full report

⁸ Cf. nil balance at Note 2 in full report

⁹ Cf. nil balance at Note 3 in full report

¹⁰ Cf. nil balance at Note 7 in full report

¹¹ Cf. nil balance at note 11 in full report

- It did not include a Committee of Management statement which is one of the statements mentioned in paragraph 253(2)(c) of the RO Act, as required by regulation 161(d);
- It did not include “the notice mentioned in subsection 272(5)” of the RO Act, as required by regulation 161(f);

To the extent that the Operating Report set out on the first page of the concise report did not include:

- (i) Details of the right of members to resign from the reporting unit under section 174 [as required by sub-section 254(2)(c)]; or
- (ii) Details of any officer or member of the reporting unit who is a trustee, or a director of a company that is a trustee, of a superannuation entity or exempt public sector superannuation scheme [as required by sub-section 254(2)(d)]; or
- (iii) The number of members recorded in the register of members [as required by regulation 159(a)]; or
- (iv) The number of employees measured on a full-time equivalent basis [as required by regulation 159(b)];

the concise report did not include a fully compliant Operating Report that was a copy of the Operating report included in the full report, and thus could not be said to have included “the operating report for the year” as required by sub-section 265(3)(b).

Finally, it is arguable that in merely saying that “*a copy of the Full Financial Report is available to members at any branch*”, the concise report falls short of the requirement of sub-section 165(3)(e) to include a statement that “a copy of the full report and auditor’s report will be sent to the member free of charge if the member asks for them.”

The FWC aims to assist reporting units in complying with their obligations under the RO Act and Reporting Guidelines, by providing advice about the errors identified in financial reports. Failure to address errors may lead to the General Manager exercising her powers under section 330 of the RO Act.

Action required

The FWC will not file the full report until the abovementioned errors in the concise report have been addressed, since it is the concise report that has been provided to the members. A concise report that includes the disclosure and documentary omissions identified above must be prepared and approved by the committee of management. The auditor must issue an audit statement with respect to the compliant concise report. The compliant concise report must be provided to the members by replacing the concise report currently uploaded on the organisation’s website and a copy lodged with the FWC. The corrected concise report may be emailed directly to me.

Please don’t hesitate to contact me on (02) 6746 3283 or 0429 462 979 or by email at stephen.kellett@fwc.gov.au if you have any queries or if I may assist to clarify any of the requirements.

Yours sincerely



Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

From: George Zorbas [<mailto:george.zorbas@mua.org.au>]
Sent: Wednesday, 21 December 2016 12:12 PM
To: Orgs
Cc: Paddy Crumlin; Aaron Neal; Lorie Alberto
Subject: On CMS FR2016/72 Lodgement of MUA's Audited Financial Statements

Attention: Registrar

Please find attached the MUA's relevant documentation relating to the lodgement of the Audited Financial Statements for 2015.

Original copies of the documents have also been sent via express post today.

If you require any further information please feel free to contact me.

Regards,

George Zorbas

George Zorbas

Snr Bookkeeper and Compliance Officer
Maritime Union of Australia
Level 2
365 Sussex St
Sydney NSW 2000
Direct: 02 9265 8419
Reception: 02 9267 9134
Fax: 02 9261 3481
Email: george.zorbas@mua.org.au
Web: www.mua.org.au



MUA - NO YE16
Signed Audited FS Ar



Certificate of
Designated Officer fo



FWC Audited Report
Lodgement Notificatic



Paddy Crumlin - National Secretary | Will Tracey - Deputy National Secretary
Ian Bray and Warren Smith - Assistant National Secretaries

21 December 2016

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

By Express Post and Email: orgs@fwc.gov.au

Dear Registrar

Re: AUDITED FINANCIAL REPORT FOR YEAR ENDING 30 JUNE 2016

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

- Audited Full Financial Consolidated Report and Audited Consolidated Concise Financial Report of the Maritime Union of Australia for the year ended 30 June 2016;
- Certificate of designated officer that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009* (Cth).

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'G. Zorbas', is written over a light blue horizontal line.

George Zorbas
Snr Bookkeeper and Compliance Officer
Maritime Union of Australia



Certificate of Designated Officer

Section 268 Fair Work (Registered Organisations) Act 2009

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

- That in accordance with section 268(c) of the *Fair Work (Registered Organisations) Act 2009* (Cth), the documents lodged herewith are copies of the Audited Full Consolidated Financial Report and Audited Consolidated Concise Financial Report of the Maritime Union of Australia (Union) for the year ended 30 June 2016; and
- That in accordance with section 265 of the *Fair Work (Registered Organisations) Act 2009* (Cth), the Audited Full Consolidated Financial Report was provided to members at the 2016 Annual General Meeting of members of the Union held in accordance with Rule 19 of the Rules of the Union between 29 November 2016 and 8 December 2016 as set out at **Annexure A**;
- That in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009* (Cth), the Audited Full Consolidated **Concise** Financial Report was presented to the 2016 Annual General Meeting of members of the Union held in accordance with Rule 19 of the Rules of the Union between 29 November 2016 and 8 December 2015 as set out at on **Page 45 of Annexure A**; and
- That in accordance with section 265 of the *Fair Work (Registered Organisations) Act 2009* (Cth), the Audited Concise Financial Report was also published on the Union website www.mua.org.au on Monday, 7 November 2016.

Signature:

Padraig Crumlin
National Secretary
Maritime Union of Australia

21 December 2016



THE MARITIME UNION OF AUSTRALIA

AND ITS SUBSIDIARY AND BRANCHES

ABN 93 047 659 794

FINANCIAL REPORT

FOR THE YEAR ENDED

AS AT 30 JUNE 2016

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

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

OPERATING REPORT

Your National Council present their consolidated report on the Maritime Union of Australia ("Union"), consisting of the National Branch of the Union ("Federal"), the State Branches of the Union and the subsidiary company of the Union (MUA HTS Pty Limited) for the financial year ended 30 June 2016.

Union Officials

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

Bray, I	Jones, M
Bull, A *	Keane, G
Burford, A *	Keating, P
Cain, C	Mayor, T
Cain, D	McAleer, P
Campbell, J	Miners, J
Carnegie, R	Myers, M *
Cassar, J	Newlyn, J
Clothier, C*	Outram, D *
Crumlin, P	Patchett, R
Deakin, J	Paterson, J *
Evans, A	Smith, W
Gallagher, P	Tracey, W
Garrett, P	Williams, G
Hoy, J	<i>*Honorary Electorate</i>
Italia, J	

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 total comprehensive income of the Union for the financial year amounted to a surplus of \$4,349,717 (2015: \$1,286 deficit).

The number of members of the Union at the end of the financial year was 13,262 (2015: 14,366).

The number of employees of the reporting unit at the end of the financial year was 94 (2015: 86).

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 Union'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. The Objects of the Union are set out in Section 4 of the Union's Rules. No significant change in the nature of these activities occurred during the year.

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

OPERATING REPORT

Rights of Members to Resign

All members have a right to resign in accordance with Section 11 of the Union's Registered Rules and Section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009, a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or branch of the organisations.

Events Subsequent to the End of the Reporting Period

The Union has reclassified a few non-current assets as assets held for sale at 30 June 2016. Prior to the signing of this report, two out of the four assets have been sold at fair value amounting to \$2,317,470.

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 Union.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 5 of the report.

Superannuation Fund Office Holders

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

Crumlin, P

Newlyn, J

Signed in accordance with a resolution of the National Council:

Dated this 10th day of October 2016



P. Crumlin
National Secretary



W. Tracey
Deputy National Secretary



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 2016 there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Dated at Sydney on the 20th day of October 2016.

A handwritten signature in black ink, appearing to read 'ESV' with a checkmark-like flourish.

ESV Accounting and Business Advisors

A handwritten signature in black ink, appearing to read 'David P. Robinson'.

David P. Robinson, FCA

Partner

Approved Auditor

Member of the Institute of Chartered Accountants Australia and New Zealand

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	Consolidated		Federal	
		2016 \$	2015 \$	2016 \$	2015 \$
Operating activities					
Revenues	2	21,368,796	22,285,100	19,119,194	19,509,249
Employee benefits expense	3	(11,548,987)	(11,531,553)	(11,441,348)	(11,521,442)
Finance Cost		(303,234)	(195,416)	(303,234)	(195,416)
Depreciation and amortisation expenses	3	(1,015,756)	(876,461)	(968,307)	(834,169)
All other expenses	3,4	(10,966,570)	(11,036,431)	(9,483,894)	(9,213,710)
Net (deficit) from operating activities		(2,465,751)	(1,354,760)	(3,077,589)	(2,255,489)
Non-operating activities					
Other (expenses)/income	2 (a)	(682,445)	1,353,474	(716,586)	1,227,185
Net (deficit)/surplus from non-operating activities		(682,445)	1,353,474	(716,586)	1,227,185
Net (deficit) for the year		(3,148,196)	(1,286)	(3,794,175)	(1,028,304)
Other comprehensive income					
Gain on revaluation of land and buildings		7,497,913	-	7,513,263	-
Total comprehensive income/(loss) for the year		4,349,717	(1,286)	3,719,088	(1,028,304)

The accompanying notes form part of the financial statements.

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

		Consolidated		Federal	
	Note	2016	2015	2016	2015
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	5	4,870,216	4,983,964	949,096	794,081
Inventories on hand	6	203,639	179,451	105,167	51,775
Trade and other receivables	7	1,852,609	1,165,282	1,624,070	1,081,771
Investments	8	6,305,468	9,891,655	5,397,156	8,980,726
Assets held for sale	9	3,207,471	-	3,207,471	-
TOTAL CURRENT ASSETS		16,439,403	16,220,352	11,282,960	10,908,353
NON-CURRENT ASSETS					
Trade and other receivables	7	104,540	113,519	119,540	128,519
Property, plant and equipment	9	38,064,784	31,224,852	37,140,008	30,297,624
Investment property	10	3,600,000	3,763,742	2,736,000	2,831,106
TOTAL NON-CURRENT ASSETS		41,769,324	35,102,113	39,995,548	33,257,249
TOTAL ASSETS		58,208,727	51,322,464	51,278,508	44,165,602
CURRENT LIABILITIES					
Trade and other payables	11	4,061,047	3,406,098	5,265,569	3,753,348
Employee Provisions	12	2,616,106	2,621,498	2,616,106	2,621,498
Borrowings	13	1,008,328	295,902	1,008,328	295,902
TOTAL CURRENT LIABILITIES		7,685,481	6,323,498	8,890,003	6,670,748
NON-CURRENT LIABILITIES					
Employee Provisions	12	593,542	1,538,829	593,542	1,538,829
Borrowings	13	5,760,517	3,640,667	5,760,517	3,640,667
TOTAL NON-CURRENT LIABILITIES		6,354,059	5,179,496	6,354,059	5,179,496
TOTAL LIABILITIES		14,039,540	11,502,994	15,244,062	11,850,244
NET ASSETS		44,169,187	39,819,470	36,034,446	32,315,358
MEMBERS' FUNDS					
Fighting fund reserve	14	18,739	18,739	18,739	18,739
Revaluation reserve		10,347,879	2,849,966	10,363,229	2,849,966
Other reserves	14	1,641,411	2,809,927	-	82,920
Retained surplus		32,161,158	34,140,838	25,652,478	29,363,733
TOTAL MEMBERS' FUNDS		44,169,187	39,819,470	36,034,446	32,315,358

The accompanying notes form part of the financial statements.

THE MARITIME UNION OF AUSTRALIA
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STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 2016

	Fighting Fund Reserve	Revaluation Reserve	General Reserves	Retained Surplus	Total Funds
	\$	\$	\$	\$	\$
CONSOLIDATED					
At 1 July 2014	18,739	2,849,966	4,206,807	32,745,244	39,820,756
Net surplus/(deficit) for the year	-	-	45,616	(46,902)	(1,286)
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	-	-	45,616	(46,902)	(1,286)
Transfer to Reserves	-	-	(1,442,496)	1,442,496	-
At 30 June 2015	18,739	2,849,966	2,809,927	34,140,838	39,819,470
Net (deficit) for the year	-	-	90,883	(3,239,079)	(3,148,196)
Other comprehensive income	-	7,497,913	-	-	7,497,913
Total comprehensive income	-	7,497,913	90,883	(3,239,079)	4,349,717
Transfer to Reserves	-	-	(1,259,399)	1,259,399	-
At 30 June 2016	18,739	10,347,879	1,641,411	32,161,158	44,169,187
FEDERAL					
At 1 July 2014	18,739	2,849,966	1,119,284	29,355,673	33,343,662
Net (deficit) for the year	-	-	-	(1,028,304)	(1,028,304)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	(1,028,304)	(1,028,304)
Transfer to Reserves	-	-	(1,036,364)	1,036,364	-
At 30 June 2015	18,739	2,849,966	82,920	29,363,733	32,315,358
Net (deficit) for the year	-	-	-	(3,794,175)	(3,794,175)
Other comprehensive income	-	7,513,263	-	-	7,513,263
Total comprehensive income	-	7,513,263	-	(3,794,175)	3,719,088
Transfer to Reserves	-	-	(82,920)	82,920	-
At 30 June 2016	18,739	10,363,229	-	25,652,478	36,034,446

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 2016**

	Note	Consolidated 2016 \$	2015 \$	Federal 2016 \$	2015 \$
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from members		19,386,730	19,838,004	18,822,079	19,677,782
Payments to suppliers and employees		(24,315,366)	(18,704,047)	(22,437,542)	(19,402,381)
Interest Received		103,557	110,496	3,766	2,612
Commission Received		191,192	415,448	28,782	205,356
Rent received		1,140,746	419,085	1,111,544	380,451
Other receipts		455,094	654,599	220,352	715,022
Donations paid		(263,413)	(1,802,678)	(227,441)	(205,091)
Donations received		1,173,378	843,909	570,520	105,074
Net cash provided by/(used in) operating activities	19(b)	(2,128,082)	1,774,816	(1,907,940)	1,478,825
CASH FLOW FROM INVESTING ACTIVITIES					
Interest received from investments		3,368	56,317	-	2,101
Sale of managed investments		3,195,000		3,195,000	
Proceeds from sale of property, plant and equipment		90,243	193,955	90,243	193,955
Purchase of property, plant and equipment	9	(3,621,693)	(978,400)	(3,571,467)	(967,490)
Purchase of investment property	10	(188,842)	(3,804,762)	(188,842)	(2,862,000)
Net cash (used in) investing activities		(521,924)	(4,532,890)	(475,066)	(3,625,451)
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from borrowings		3,037,070	1,626,712	3,037,070	1,626,712
Repayment of borrowings		(508,138)	(322,924)	(508,028)	(322,924)
Repayment of Official loan/member's loan		7,327	35,800	8,979	7,983
Net cash provided by financing activities		2,536,259	1,339,588	2,538,021	1,311,771
Net (decrease)/increase in cash and cash equivalents		(113,747)	(1,418,486)	155,015	(842,838)
Cash and cash equivalent at the beginning of the financial year		4,983,963	6,402,449	794,081	1,636,919
Cash and cash equivalent at the end of the financial year	19(a)	4,870,216	4,983,963	949,096	794,081

The accompanying notes form part of the financial statements.

**THE MARITIME UNION OF AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover the National Branch of the Maritime Union of Australia ("Federal"), the State Branches of the Maritime Union of Australia and its subsidiary company MUA HTS Pty Ltd ("Consolidated").

The Maritime Union of Australia is a Trade Union created under the Fair Work (Registered Organisations) Act 2009, registered and domiciled in Australia.

The financial report of The Maritime Union of Australia and its subsidiary and Branches for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the National Council on the 10th October 2016.

Basis of Preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Accounting Standards and Interpretations issued by the Australian Accounting Standard Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisations) Act 2009*. The Union is a not for profit entity.

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 (IFRS) 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) Basis 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 Union during the year, the financial performance of those entities is included only for the period of the year that they were controlled.

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

For a full list of consolidated entities, please refer to Note 21.

THE MARITIME UNION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

b) New, revised or amending Accounting Standards and Interpretations adopted

The Union has adopted all applicable new, revised and amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

c) 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.

d) Revenue

Revenue is measured at fair value of the consideration received or receivable.

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 deferred 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 on an accrual basis using the effective interest method. Revenue from rendering of a service is recognised upon the delivery of service to the customer.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

All revenue is stated net of the amount of GST.

e) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e) Employee benefits (continued)

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the Union in respect of services provided by employees up to reporting date.

f) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

g) Borrowing Costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

h) 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (continued)

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Union's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (continued)

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (continued)

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

j) 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Property, Plant and Equipment (continued)

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 the National Council 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Investment Properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the Union. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

l) Impairment of Non-Current 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.

m) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) 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.

o) Inventories on Hand

Inventories are measured at the lower of cost and current replacement cost.

p) 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.

q) 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.

r) 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.

s) 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.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

t) 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).

u) 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.

v) Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

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NOTES TO THE FINANCIAL STATEMENTS
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	Consolidated		Federal	
	2016	2015	2016	2015
	\$	\$	\$	\$
2. Revenue				
Operating activities				
Union contributions	16,082,822	16,941,166	16,092,715	16,873,701
Special purpose levies received	1,156,980	1,182,089	1,156,980	1,182,089
Special purpose levies paid	-	-	(1,156,980)	(1,182,089)
MJLFF levies received (refer to 2b)	1,155,120	1,376,018	1,155,120	1,376,018
Donations	1,173,377	843,909	570,520	105,074
Consulting fees	315,321	339,693	315,321	339,693
Rent received	526,467	419,085	497,265	380,451
Union sales	101,287	109,439	41,162	16,683
Expenses recouped	60,250	67,000	60,250	67,000
Commission Income	55,876	415,448	28,782	205,356
Sundry income	741,296	591,253	358,059	145,273
Grants	-	-	-	-
Receipts from other reporting units	-	-	-	-
Capitation fees received	-	-	-	-
Total revenue	21,368,796	22,285,100	19,119,194	19,509,249
(a) Income & Expenses from Non-operating Activities				
(Loss)/income from managed funds	(452,566)	1,151,487	(453,317)	1,133,081
Interest received on deposits	91,646	110,496	(255)	2,612
Interest received on loans	4,021	5,017	4,021	5,017
Foreign exchange (loss)/gain	(6,761)	14,155	(6,761)	14,155
(Loss)/profit on sale of non-current assets	(36,722)	72,319	(36,722)	72,319
Loss on revaluation of investment property	(282,063)	-	(223,552)	-
Other income	(682,445)	1,353,474	(716,586)	1,227,185
(b) Maritime Jobs Legal Fighting Fund (MJLFF)				
The purpose of the MJLFF is to raise funds and assist in contesting strategic litigation when required in the event that a judgment from the Court or law from the Parliament is contrary to the labour, human and civil rights and interests of the MUA, its officers and its members.				
3. Expenses				
Depreciation for non-current assets				
Buildings and investment property	457,836	362,908	428,509	333,581
Plant and equipment	557,920	513,553	539,798	500,588
Total depreciation	1,015,756	876,461	968,307	834,169

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	Consolidated		Federal	
	2016	2015	2016	2015
	\$	\$	\$	\$
Employee benefits				
<i>Officials</i>				
Salaries and wages	3,824,406	3,234,288	3,824,406	3,234,288
Annual leave entitlement	646,764	180,088	646,764	180,088
Long service leave entitlement	(260,316)	187,850	(260,316)	187,850
Superannuation contributions	586,191	488,598	586,191	488,598
Separation and redundancies	-	-	-	-
Other employment costs	520,844	436,812	505,137	418,140
	<u>5,317,889</u>	<u>4,527,637</u>	<u>5,302,182</u>	<u>4,508,964</u>
<i>Other employees</i>				
Salaries and wages	4,848,513	5,193,735	4,848,513	5,193,735
Annual leave entitlement	(323,770)	225,190	(323,770)	225,190
Long service leave entitlement	176,603	25,703	176,603	25,703
Superannuation contributions	649,513	700,034	649,513	700,034
Staff and member training	111,663	153,338	109,181	151,419
Separation and redundancies	40,012	44,933	40,012	44,933
Other employment costs	728,564	660,983	639,114	671,464
	<u>6,231,098</u>	<u>7,003,916</u>	<u>6,139,166</u>	<u>7,012,478</u>
Total employee benefits	<u>11,548,987</u>	<u>11,531,553</u>	<u>11,441,348</u>	<u>11,521,442</u>
Other operating expenses				
Affiliation fees and levies				
ACTU Affiliation	69,328	67,691	69,328	67,691
Australian Labour Party	80,217	70,647	80,017	70,647
ITF Seafarers	40,032	44,669	40,032	44,669
Unions NSW - Trades & Labour Council	17,610	23,337	17,610	23,337
Unions NT - Trades & Labour Council	3,235	-	2,894	-
Unions QLD - Trades & Labour Council	(702)	150	(802)	-
Unions SA - Trades & Labour Council	7,868	4,157	7,868	4,157
Unions TAS - Trades & Labour Council	4,102	4,343	4,102	4,343
Unions VIC - Trades & Labour Council	11,454	13,547	11,454	13,547
Unions WA - Trades & Labour Council	34,424	29,723	34,424	29,723
Other Affiliations	20,813	25,868	6,659	21,385
	<u>288,381</u>	<u>284,133</u>	<u>273,586</u>	<u>279,499</u>
Consideration to employers for payroll deductions	-	-	-	-
Capitation fees paid	-	-	-	-
Compulsory levies paid	-	-	-	-
Penalties - via RO Act or RO Regulations	-	-	-	-
Grants	-	-	-	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

	Consolidated		Federal	
	2016	2015	2016	2015
	\$	\$	\$	\$
Other operating expenses, continued				
Conferences and meeting expenses	697,131	1,150,060	621,571	1,206,603
Fees/allowances - conferences and meetings	299,511	106,650	223,680	99,890
Travelling	1,810,754	1,296,914	1,623,896	1,184,468
Other membership services	1,399,635	3,955,284	915,674	3,090,535
IT and Telecommunications Expense	896,302	991,453	887,838	984,615
Occupancy & rental expenses	1,243,503	1,252,662	1,180,611	1,118,086
Administration expenses	1,665,712	1,437,867	1,378,656	1,120,046
<i>Donations</i>				
- Total paid that were \$1,000 or less	96,837	96,269	11,168	5,826
- Total paid that exceeded \$1,000	410,623	504,559	216,273	135,590
	507,460	600,828	227,441	141,416
<i>Legal expenses</i>				
- Litigation	1,957,369	1,991,962	1,951,127	1,979,480
- Other legal expense	68,273	139,340	68,176	139,328
	2,025,642	2,131,302	2,019,303	2,118,809
4. Remuneration of auditors				
- Audit services	124,576	194,902	124,576	219,168
- Other services	2,034	49,812	1,134	48,882
	126,610	244,715	125,710	268,050
5. Cash and Cash Equivalents				
Cash at banks and on hand	3,640,177	3,915,867	949,096	794,081
Deposits at call	1,230,039	1,068,097	-	-
	4,870,216	4,983,964	949,096	794,081
6. Inventories on Hand				
Union Merchandise	203,639	179,451	105,167	51,775
	203,639	179,451	105,167	51,775

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**NOTES TO THE FINANCIAL STATEMENTS
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	Note	Consolidated		Federal	
		2016	2015	2016	2015
		\$	\$	\$	\$
7. Trade and Other Receivables					
CURRENT					
Trade debtors		555,469	335,386	550,727	259,328
Accrued contributions		903,728	685,286	903,728	685,286
Loan to Officials		13,000	13,000	13,000	13,000
Loan to Members		16,867	6,300	-	-
Other receivables		406,343	52,960	206,343	51,807
Prepayments		70,585	72,350	63,655	72,350
Receivable from other reporting unit		-	-	-	-
Receivable from other related parties		-	-	-	-
Provision for doubtful debts		(113,383)	-	113,383	-
		<u>1,852,609</u>	<u>1,165,282</u>	<u>1,624,070</u>	<u>1,081,771</u>
NON-CURRENT					
Amount due from subsidiary	19	-	-	15,000	15,000
Loans to Officials	7(a)	104,540	113,519	104,540	113,519
		<u>104,540</u>	<u>113,519</u>	<u>119,540</u>	<u>128,519</u>
		<u>1,957,149</u>	<u>1,278,801</u>	<u>1,743,610</u>	<u>1,210,290</u>
(a) Loans to Officials					
Repayments paid during the year		13,000	21,000	13,000	13,000

The name of the Official who held a loan from the Union was:

- Dean Summers

The loan is secured by mortgage over a residential property and are made on normal commercial terms and conditions. The total interest received on loans to Officials for the year was \$4,021 (2015: \$5,017).

8. Investments

Managed funds at market value		5,535,909	9,139,891	5,371,731	8,953,481
Short term deposits		744,115	724,500	-	-
Shares - other entities		25,444	27,264	25,424	27,244
Shares in subsidiary		-	-	1	1
		<u>6,305,468</u>	<u>9,891,655</u>	<u>5,397,156</u>	<u>8,980,726</u>

Managed funds at market value

Managed funds are disclosed in the financial statements as at 30 June 2016 at market value. The net revaluation increment of \$389,321 (2015: Increment of \$762,853) has been credited to the statement of comprehensive income pursuant to Note 1 i (i) of the financial report.

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NOTES TO THE FINANCIAL STATEMENTS
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9. Property, Plant and Equipment

(a) Consolidated

Cost:

	Land & Buildings	Plant & Equipment	Office Equipment	Office Furniture	Motor Vehicles	Total
Balance at 1 July 2015	30,053,778	1,021,959	1,964,268	1,070,243	1,571,525	35,681,773
Additions	2,621,856	72,619	273,001	216,430	437,787	3,621,693
Disposals	-	-	-	(43,696)	(289,214)	(332,910)
Revaluation	7,497,913	-	-	-	-	7,497,913
Reversal of Depreciation	(1,168,627)	-	-	-	-	(1,168,627)
Reclassification to Assets Held for Sale	(3,207,471)	-	-	-	-	(3,207,471)
Balance at 30 June 2016	35,797,449	1,094,578	2,237,269	1,242,977	1,720,098	42,092,371
Accumulated Depreciation:						
Balance at 1 July 2015	(876,478)	(611,817)	(1,470,268)	(839,959)	(658,399)	(4,456,922)
Depreciation	(343,548)	(54,343)	(195,862)	(92,805)	(202,066)	(888,624)
Disposals	-	-	-	26,155	179,790	205,945
Reversal of Depreciation	1,112,014	-	-	-	-	1,112,014
Balance at 30 June 2016	(108,012)	(666,160)	(1,666,130)	(906,609)	(680,675)	(4,027,587)
Carrying Value						
As at 30 June 2015	29,177,300	410,141	494,000	230,283	913,126	31,224,851
As at 30 June 2016	35,689,437	428,418	571,139	336,368	1,039,423	38,064,784

Land and buildings are stated at fair value, which has been determined based on valuations as at 30 June 2016 performed by Gentle & Co Pty Ltd, an accredited independent valuer. The fair value of the properties have been determined by using market comparable method. This means that the valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. The National Council determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

9. Property, Plant and Equipment

(b) Federal

Cost:

	Land & Buildings	Plant & Equipment	Office Equipment	Office Furniture	Motor Vehicles	Total
Balance at 1 July 2015	29,150,260	972,658	1,964,268	1,048,842	1,502,857	34,638,885
Additions	2,621,856	54,211	273,001	216,430	405,969	3,571,467
Disposals	-	-	-	(43,695)	(289,214)	(332,909)
Revaluation	7,513,263	-	-	-	-	7,513,263
Reversal of Depreciation	(1,112,014)	-	-	-	-	(1,112,014)
Reclassification to Assets Held for Sale	(3,207,471)	-	-	-	-	(3,207,471)
Balance at 30 June 2016	34,965,894	1,026,869	2,237,269	1,221,577	1,619,612	41,071,221

Accumulated Depreciation:

Balance at 1 July 2015	(836,722)	(590,129)	(1,470,268)	(819,187)	(624,954)	(4,341,260)
Depreciation	(380,959)	(47,864)	(195,862)	(92,569)	(190,657)	(907,911)
Disposals	-	-	-	26,154	179,790	205,944
Reversal of Depreciation	1,112,014	-	-	-	-	1,112,014
Balance at 30 June 2016	(105,667)	(637,993)	(1,666,130)	(885,602)	(635,821)	(3,931,213)

Carrying Value

As at 30 June 2015	28,313,538	382,529	494,000	229,655	877,903	30,297,623
As at 30 June 2016	34,860,227	388,876	571,139	335,975	983,791	37,140,008

Land and buildings are stated at fair value, which has been determined based on valuations as at 30 June 2016 performed by Gentle & Co Pty Ltd, an accredited independent valuer. The fair value of the properties have been determined by using market comparable method. This means that the valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. The National Council determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

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NOTES TO THE FINANCIAL STATEMENTS
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	Consolidated		Federal	
	2016	2015	2016	2015
	\$	\$	\$	\$
10. Investment Property				
Land and Building	3,600,000	3,804,762	2,736,000	2,862,000
Less: Accumulated Depreciation	-	(41,019)	-	(30,894)
Total Investment Property	3,600,000	3,763,743	2,736,000	2,831,106
Investment property are stated at fair value, which has been determined based on valuations as at 30 June 2016 performed by Gentle & Co Pty Ltd, an accredited independent valuer. The fair value of the properties have been determined on transactions observable in the market. The highest and best use is not considered to be different from its current use.				
11. Trade and Other Payables				
Trade creditors	2,127,649	749,888	2,350,585	768,136
Other Creditors	4,443	565,193	986,029	894,195
Legal costs - Other Matters	-	-	-	-
Legal costs - Litigations	370,652	173,814	370,652	173,814
Accruals and other provisions	26,550	1,083,631	26,550	1,083,631
Deferred contributions	754,637	671,708	754,637	671,708
Revenue in advance	614,279	-	614,279	-
Consideration to employers for payroll deduction	-	-	-	-
Payable to other related parties	162,837	161,864	162,837	161,864
Payable to other reporting unit	-	-	-	-
	4,061,047	3,406,098	5,265,569	3,753,348
12. Employee Provisions				
CURRENT				
Annual leave				
Officials	985,570	1,260,329	985,570	1,260,329
Employees	807,958	1,361,169	807,958	1,361,169
Long service leave				
Officials	400,864	606,128	400,864	606,128
Employees	421,714	714,843	421,714	714,843
Separation and redundancies	-	-	-	-
Others	-	-	-	-
	2,616,106	3,942,469	2,616,106	3,942,469
NON-CURRENT				
Officials				
Long service leave	229,763	152,624	229,763	152,624
Separation and redundancies	-	-	-	-
Others	-	-	-	-
Employees				
Long service leave	363,779	65,234	363,779	65,234
Separation and redundancies	-	-	-	-
Others	-	-	-	-
	593,542	217,858	593,542	217,858
Aggregate employee benefit liability	3,209,648	4,160,327	3,209,648	4,160,327

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	Consolidated		Federal	
	2016	2015	2016	2015
	\$	\$	\$	\$
13. Borrowings				
Current	1,008,328	295,902	1,008,328	295,902
Noncurrent	5,760,517	3,640,667	5,760,517	3,640,667
	6,768,845	3,936,570	6,768,845	3,936,570

These loans are secured by a mortgage over one of the Union's land and building with carrying value of \$13,000,000 (2015: \$10,381,360).

The Union's borrowings are subject to some financial covenants. During the financial year and at year end, the Union was in compliance with those covenants.

14. Fighting Fund Reserve

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.

18,739	18,739	18,739	18,739
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Other Reserves

Training and Development Fund	-	1,259,397	-	82,920
Appeal and Welfare Fund	938,017	896,422	-	-
Point Peron Fund	42,501	(5,652)	-	-
Sustenance Fund	499,689	499,689	-	-
Special Purpose Fund	6,683	6,683	-	-
Sick and Accident Fund	103,654	103,413	-	-
Divers Fighting Fund	50,865	49,975	-	-
	1,641,409	2,809,927	-	82,920

The *Training & Development Fund* (held by the Federal Office and the Western Australian Branch) was set up to provide industry skills training to members, including through the provision of training infrastructure and delivery, and research and training materials and equipment, in order to improve employment opportunities for members, along with enhanced occupational health and safety awareness and competency. The receipts and expenses of the fund are as follows:

Receipts

Commission Income	-	415,448	-	205,356
Loan for investment property	-	1,626,712	-	1,626,712
Interest	-	280	-	280
Grants and donations	-	-	-	-
Other revenue	-	335,000	-	-
Total receipts	-	2,377,440	-	1,832,348

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	Consolidated		Federal	
	2016	2015	2016	2015
	\$	\$	\$	\$
14. Other Reserves, continued				
Disbursements				
Donation payments expenses	-	-	-	-
Purchase of investment property	-	3,804,762	-	2,862,000
Other expenses	-	15,174	-	6,712
Total disbursements	-	3,819,936	-	2,868,712
Surplus/(Deficit)	-	(1,442,496)	-	(1,036,364)

The balance of the Training & Development Fund has been transferred to General Reserves during the financial year.

The members of the Fremantle Port Committee pays additional levies to build up the Sickness, Accident and Funeral Fund (known as *Appeal and Welfare Fund*). The fund is used to provide financial assistance/benefits to members in distress and in hospital. It also provides funeral and death benefits and also assist widows and dependant children of deceased members. The fund is governed by rules and are accounted for appropriately as part of the Western Australian Branch's normal transactions.

The Western Australian Branch entered into a Lease Agreement with the Conservation and Land Management Executive Body of Western Australia, for *Point Peron* Site to be used for members recreation. The members contribute levies to the fund which are used to manage the site. Members also pay rent as they use the recreational site.

The *Sustenance and Special Purpose Fund* (held by the Sydney Branch) was set up to provide members assistance in their time of need and special branch actions.

The *Divers Fighting Fund* (held by the Victorian Branch) was set up by members working in the offshore diving industry and is utilised for the benefit of divers in need or other activities related to the offshore diving industry. The *Sick and Accident Fund*, on the other hand was set up to provide Victorian members assistance in their time of need through specific fund raising campaigns or donations.

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 and on hand	3,754,338	3,913,767	949,096	794,081
Deposits at call	1,859,993	1,792,597	-	-
	5,614,331	5,706,364	949,096	794,081

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15. Cash Flow Information (continued)

	Consolidated		Federal	
	2016	2015	2016	2015
	\$	\$	\$	\$
(b) Reconciliation of Cash Flow from Operations with Net (Deficit)				
Net (deficit)	(3,148,196)	(1,286)	(3,794,175)	(1,028,304)
Adjustments for:				
Depreciation	1,015,757	876,461	968,307	834,169
(Profit) on disposal of non current asset	36,722	(72,319)	36,722	(72,319)
Finance cost	303,234	195,416	303,234	195,416
Income from managed investment	387,819	(1,151,487)	388,570	(1,133,081)
Revaluation of Investment Property	282,063	-	223,552	-
Changes in assets and liabilities :				
Decrease/(increase) in trade and other receivables	(568,797)	1,157,906	(542,299)	1,301,491
Decrease/(increase) in inventory	(24,171)	47,993	(53,393)	4,237
(Increase) in prepayments	(6,930)	-	-	-
Increase in trade and other payables	545,099	527,309	1,512,221	1,182,393
Decrease in provisions	(950,679)	194,823	(950,679)	194,823
Cash flows from operations	(2,128,079)	1,774,816	(1,907,940)	1,478,825

16. Financial Risk Management

Specific Financial Risk Exposures and Management

The main risks the Union 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.

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.

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16. Financial Risk Management (continued)

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.

Year ended 30 June 2016	Profit \$	Equity \$
+/- 2% in interest rates	24,668	24,668
+/- 10% in fair value of financial assets	630,547	630,547
Year ended 30 June 2015		
+/- 2% in interest rates	38,382	38,382
+/- 10% in fair value of financial assets	916,715	916,715

17. 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		Interest Bearing		Non-interest Bearing	
	2016 %	2015 %	2016 \$	2015 \$	2016 \$	2015 \$
Consolidated						
Financial Assets						
Cash at bank	1.63%	1.87%	4,870,216	5,708,464	-	-
Receivables	4.29%	4.29%	117,540	126,519	1,839,609	1,152,282
Investments	-	-	-	-	6,305,468	9,167,155
			<u>4,987,756</u>	<u>5,834,983</u>	<u>8,145,077</u>	<u>10,319,437</u>

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17. Financial Instruments (continued)

Consolidated	Weighted Average Effective Interest		Interest Bearing		Non-interest Bearing	
	2016 %	2015 %	2016 \$	2015 \$	2016 \$	2015 \$
Financial Liabilities						
Payables	-	-	-	-	4,061,047	3,406,098
Employee provisions	-	-	-	-	3,209,648	4,160,327
Loans	5.80%	6.00%	6,768,845	3,936,570	-	-
			<u>6,768,845</u>	<u>3,936,570</u>	<u>3,406,098</u>	<u>3,406,098</u>
Federal						
Financial Assets						
Cash at bank	1.01%	0.43%	949,096	794,081	-	-
Receivables	4.29%	4.29%	117,540	126,519	1,506,530	1,068,771
Investment	-	-	-	-	5,397,156	8,980,726
			<u>1,066,636</u>	<u>920,600</u>	<u>6,903,686</u>	<u>10,049,497</u>
Financial Liabilities						
Payables	-	-	-	-	5,265,569	3,753,348
Employee provisions	-	-	-	-	3,209,648	4,160,327
Loans	5.80%	6.00%	6,768,845	3,936,570	-	-
			<u>6,768,845</u>	<u>3,936,570</u>	<u>8,475,217</u>	<u>7,913,675</u>

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 fair value of investments are based on the quoted prices in active markets and is categorised under the Level 1 of Fair value hierarchy.

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.

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	Consolidated		Federal	
	2016	2015	2016	2015
	\$	\$	\$	\$
18. Related Party Disclosures				
The following provides the total amount of transactions that have been entered into with related parties for the financial year:				
Revenue received from related parties:				
Special Purpose levies paid to branches	-	-	1,156,980	1,182,089
Consulting fees received	315,321	339,693	315,321	339,693
Rental received	967,957	179,771	967,957	179,771
Sundry income received	455,876	414,643	228,782	180,702
Expenses paid to related parties:				
Donations paid	-	-	-	-
Amounts owed by related parties:				
Amounts receivable from International Transport Federation (ITF) are disclosed in Note 7. These represent expenses that were paid by the Union on behalf of ITF.				
Amounts owed to related parties:				
Amounts payable to International Transport Federation (ITF) are disclosed in Note 11. These represent monies received in advance by the Union from the ITF for expenses to be incurred.				
Assets transferred from/to related parties				
There were no assets transferred to related parties	-	-	-	-
Loans from/to related parties:				
Dean Summers	7(a) 117,540	126,519	117,540	126,519
Loan repayments from Union Officials have been received during the financial year.				
Total repayments received	13,000	21,000	13,000	13,000

Funds Held in Trust

The Western Australian Branch holds monies in trust for Thomas Leslie Bradshaw (Tom Bradshaw) to be used for the welfare of the retired and sick members of the West Australian Branch of the MUA (formerly The Seamen's Union of Australia). The fund is governed by rules and are accounted for separately from the branch's normal transactions. The unaudited balance of the fund as at 30 June 2016 is \$137,269 (2015: \$136,850).

The Tasmanian Branch holds monies in trust, called the "Burnie Funeral Fund". The object of the fund is to provide funeral benefits and death benefits to existing life members and members who have made contributions to the fund in the past. The unaudited balance of the fund as at 30 June 2016 is \$160,191 (2015: \$160,336).

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	Consolidated		Federal	
	2016	2015	2016	2015
	\$	\$	\$	\$
19. Key Management Personnel Remuneration for the Reporting Period				
Short-term employee benefits				
Salary (including annual leave taken)	654,965	665,726	654,965	665,726
Annual leave accrued	116,279	98,524	116,279	98,524
Performance bonus	-	-	-	-
Total short-term employee benefits	<u>771,244</u>	<u>764,249</u>	<u>771,244</u>	<u>764,249</u>
Post-employment benefits:				
Superannuation	91,695	93,203	91,695	93,203
Total post-employment benefits	<u>91,695</u>	<u>93,203</u>	<u>91,695</u>	<u>93,203</u>
Other long-term benefits:				
Long-service leave	25,194	21,347	25,194	21,347
Total other long-term benefits	<u>25,194</u>	<u>21,347</u>	<u>25,194</u>	<u>21,347</u>
Termination benefits	-	-	-	-
Total	<u>888,133</u>	<u>785,596</u>	<u>888,133</u>	<u>785,596</u>

The following list is the key management personnel of the Union at 30 June 2016:

Crumlin, Pdraig	Bray, Ian
Tracey, Will	Cain, Chris
Smith, Warren	

20. Official's Material Personal Interests

No Official, or any relative of an Official, held or acquired a material personal interest in the affairs of the Union during the financial year.

21. Controlled Entities

The consolidated financial statements incorporate the financial statements of the entities controlled by the Union. The entities that are controlled by the Union during the financial year were:

- MUA HTS Pty Limited ("Subsidiary")
- Maritime Union of Australia Newcastle ("Branch")
- Maritime Union of Australia Northern Territory ("Branch")
- Maritime Union of Australia Queensland ("Branch")
- Maritime Union of Australia South Australia ("Branch")
- Maritime Union of Australia Southern New South Wales ("Branch")
- Maritime Union of Australia Sydney ("Branch")
- Maritime Union of Australia Tasmania ("Branch")

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21. Controlled Entities (continued)

- Maritime Union of Australia Victoria ("Branch")
- Maritime Union of Australia Western Australia ("Branch")

The Union also controls the following not for profit entities, these entities have not been consolidated as each entity prepares and lodges audited financial statements that are available to the general public.

- Maritime Employee Training Limited (METL)
- Australian Maritime Training Foundation Limited
- Hunter Workers Rehabilitation and Counselling Centre Limited

22. Segment Reporting

The economic entity operates predominantly in one business and geographical segment being Trade Union services in Australia. Together, the Union provides trade union services in Australia.

23. Union Details

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

24. 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 Union the results of those operations, or the state of affairs of the Union, in future financial years.

25. Information required under the Reporting Guidelines for the purposes of Section 253, of the Fair Work (Registered Organisations) Act 2009.

- (1) There was no recovery of wages activity undertaken by the Union during the financial year (2015: Nil).
- (2) The Union is liquid and does not rely on other entity to continue as a going concern. No financial support was received or given to/from other entity during or since the end financial year (2015: Nil).
- (3) The Union did not acquire any assets nor liability during the financial year (2015: Nil) as a result of amalgamation, restructuring of branches, business combination or determination and revocation by the General Manager.

26. Contingent Liabilities, Assets and Commitments

Contingent Liabilities

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.

At 30 June 2016, there are a number of ongoing legal actions against the or taken by the Union, one of which relates to a claim by Chevron Australia Pty Ltd. Chevron claims that the MUA breached two provisions in the Fair Work Act and as a result, should be liable to pay them pecuniary penalties. As at the date of this report, it is not possible to provide a reasonable estimate of the potential liability arising from this claim.

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26. Contingent Liabilities, Assets and Commitments (continued)

In relation to other ongoing cases, the reasonable estimate of the amounts that the Union may or may not be liable to pay is \$620,000 (2015: \$220,000).

During the financial year, the Union has received advanced rental payments from the Maritime Mining Power Credit Union in relation to the lease of its office space. The advanced rent relates to the period until 30 June 2026. Should the Union cease to occupy the building, the MMPCU is entitled to terminate the lease and be entitled to a pro-rata refund of the rent that has been paid in advance.

Operating lease commitments—as lessee

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

Within one year	589,783	457,783	589,783	457,783
After one year but not more than five years	1,621,188	679,406	1,621,188	679,406
More than five years	1,031,250	1,306,250	1,031,250	1,306,250
	<u>3,242,221</u>	<u>2,443,439</u>	<u>3,242,221</u>	<u>2,443,439</u>

Operating lease commitments—as lessor

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

Within one year	137,328	178,944	137,328	178,944
After one year but not more than five years	135,256	272,584	135,256	272,584
More than five years	-	-	-	-
	<u>272,584</u>	<u>451,528</u>	<u>272,584</u>	<u>451,528</u>

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**NATIONAL COUNCIL'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

On 10 October 2016, the National Council of The Maritime Union of Australia passed the following resolution to the general purpose financial report (GPFR) for the year ended 30 June 2016:

The National Council, declares that in it's opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year ended to which they relate;
- (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 GPFR relates and since the end of that year:
 - (i) meetings of the National Council were held in accordance with the rules of the Union; and
 - (ii) the financial affairs of the Union have been managed in accordance with the rules of the Union; and
 - (iii) the financial records of the Union have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009 (RO Act)*; and
 - (iv) where the Union 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 with each of the other reporting units of the union; and
 - (v) where the information has been sought in any request by a member of the Union or General Manager duly made under Section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under Section 273 of the RO Act, there has been compliance; and
 - (vii) with regard to the funds of the Union 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.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the National Council.

Signed at Sydney this 10th day of October 2016



P. Crumlin
National Secretary



W. Tracey
Deputy National Secretary



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MARITIME UNION OF AUSTRALIA AND
ITS SUBSIDIARY

Report on the Financial Report

We have audited the accompanying financial report, being a general purpose financial report, of The Maritime Union of Australia, its Subsidiary and Branches (the "Union"), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in members funds, statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the National Council's statement.

National Council's Responsibility for the Financial Report

The National Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 and for such internal controls as the National Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we 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 Branch'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 Union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the National Council, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MARITIME UNION OF AUSTRALIA AND ITS SUBSIDIARY

Independence

In conducting our audit, we have complied with the independence requirements of the *Accounting Professional and Ethical Standards Board*.

Opinion

As part of the audit of the financial statements, we have concluded that the council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

In our opinion; the financial report of the Maritime Union of Australia, its subsidiary and Branches gives a true and fair view of Union's financial position as at 30 June 2016 and of its performance for the year ended on that date and is presented fairly in accordance with:

- (i) the 'Fair Work (Registered Organisations) Act 2009' and
- (ii) the 'Australian Accounting Standards'

Report on the recovery of wages activity

The National Council are responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with Section 253(2)(c) of the Fair Work (Registered Organisations) Act 2009. Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards. We have been advised that no revenue has been derived from undertaking recovery of wages activity during the reporting period. Accordingly, we have not been instructed by the national council to include in the scope of the audit under subsection 257(1) of the RO act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity.

Auditor's Opinion on the recovery of wages activity

Based upon the national council's statement referred to above, in our opinion in relation to the recovery of wages activity, the financial report of The Maritime Union of Australia and its Subsidiary and Branched presents fairly all reporting guidelines in the General Manager, including:

- (i) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- (ii) any donations or other contributions deducted from recovery money.



Other matters

In accordance with the reporting guidelines for the purposes of Section 253, the following declarations are made in reference to the auditor;

- (i) is a registered company auditor and a partner of ESV Accounting and Business Advisors; and
- (ii) is a fellow of Chartered Accountants Australia and New Zealand, and holds a current Public Practice Certificate.

The financial report also complies with the International Financial Accounting Standards as resolved in Note 1.

Dated this 20th day of October 2016

A handwritten signature in black ink, consisting of the letters 'ESV' followed by a checkmark-like flourish.

ESV Accounting and Business Advisors

A handwritten signature in black ink, appearing to be 'David P. Robinson'.

David P. Robinson, FCA
Partner

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**ITEMISED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Consolidated		Federal	
	2016	2015	2016	2015
	\$	\$	\$	\$
Operating income				
Union contributions	18,394,922	19,499,273	17,247,835	18,249,719
Donations	1,173,377	843,909	570,520	105,074
Consulting fees	315,321	339,693	315,321	339,693
Rent received	526,467	419,085	497,265	380,451
Union sales	101,287	109,439	41,162	16,683
Expenses recouped	60,250	67,000	60,250	67,000
Commission income	55,876	415,448	28,782	205,356
Sundry income	741,296	591,253	358,059	145,273
Total operating income	21,368,796	22,285,100	19,119,194	19,509,249
Compensation and benefit				
Direct salaries - Officials	3,824,406	3,234,288	3,824,406	3,234,288
Direct salaries - Staff	4,888,525	5,238,668	4,888,525	5,238,668
Fringe benefits tax	125,094	137,106	125,094	137,106
Motor vehicle expenses	335,141	317,020	299,520	304,562
Payroll tax	607,825	569,631	607,825	569,631
Staff & Official training	111,663	153,338	109,181	151,419
Superannuation	1,235,704	1,188,632	1,235,704	1,188,632
Employee entitlement expense	239,280	618,832	239,280	618,832
Temporary staff	68,247	(40,465)	(1,289)	(36,198)
Workers compensation insurance	113,101	114,502	113,101	114,502
Total compensation and benefit	11,548,986	11,531,553	11,441,347	11,521,441
General expenses				
Audit & accountancy	140,397	244,715	139,497	268,050
Bank charges	91,647	86,093	89,288	83,672
Depreciation	557,920	513,553	539,798	500,588
Donations	408,080	600,827	151,713	141,416
Insurance - general	36,684	37,941	36,684	37,941
Merchandise	249,861	192,121	60,497	24,137
National Council expenses	112,905	167,891	112,643	167,891
Office expenses	185,051	153,983	132,036	97,589
Media activities	421,875	158,755	416,783	106,648
Postage and freight	99,394	208,983	96,043	203,831
Printing and stationery	209,783	237,105	193,517	230,549
Provision for bad debts expense	113,383	13,279	113,383	13,279
Repairs and maintenance	32,002	41,217	29,190	37,702
Subscriptions, newspapers & periodicals	80,823	130,420	70,890	115,926
Sundry expenses	18,517	10,079	13,915	880
Total general expenses	2,758,322	2,796,962	2,195,877	2,030,101

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ITEMISED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated		Federal	
	2016	2015	2016	2015
	\$	\$	\$	\$
Occupancy & rental expenses				
Cleaning	208,094	221,118	205,108	219,602
Building depreciation	457,836	362,908	428,509	333,581
Security	34,548	37,200	34,548	30,172
Electricity	231,355	208,489	216,581	194,798
Interest Expense	303,234	195,416	303,234	195,416
Property insurance	73,082	64,291	66,099	64,291
Property rates	373,036	338,504	357,466	323,529
Property sales and purchase costs	-	18,535	-	10,412
Property valuation fees	-	-	-	-
Rent	67,987	62,596	67,987	62,596
Repairs & Maintenance	255,401	301,929	232,822	212,685
Total occupancy and rental expenses	2,004,573	1,810,986	1,912,354	1,647,082
Industrial & member services				
Affiliation fees & levies	288,381	284,133	273,586	279,499
Branch activities	429,112	294,138	91,254	-
Business expenses	43,919	61,204	35,330	45,437
Conferences - International	270,509	591,421	244,045	569,217
Conferences - National	479,871	940,541	429,317	737,276
Fares & travel	2,160,972	1,296,914	1,889,789	1,184,468
Funeral expenses	85,297	70,476	47,603	24,930
Legal expenses	2,025,643	2,131,302	2,019,303	2,118,809
Member training	71,466	182,048	15,031	101,644
Research & professional services	513,655	310,053	513,609	308,321
Stop work meeting expenses	4,274	11,409	865	2,191
Union election	30,000	30,941	30,000	30,941
Union publications	116,302	130,049	93,907	128,763
ALP donations	99,380	87,275	75,728	50,000
ALP election expenses	7,583	87,004	-	-
Total industrial & member services	6,626,364	6,508,907	5,759,367	5,581,496
IT & telecommunications expenses				
Computer consumables	18,512	30,850	16,432	29,773
Internet expenses	286,378	249,835	286,283	249,736
IT support & maintenance	338,913	294,323	338,913	294,323
Telephone	246,685	403,103	240,396	397,442
Video and teleconference	5,814	13,342	5,814	13,342
Total IT & telecommunications expenses	896,302	991,453	887,838	984,615
Total operating expenses	23,834,547	23,639,861	22,196,783	21,764,736
Operating (deficit)	(2,465,751)	(1,354,760)	(3,077,589)	(2,255,487)

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**ITEMISED STATEMENT OF COMPREHENSIVE INCOME
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	Consolidated		Federal	
	2016	2015	2016	2015
	\$	\$	\$	\$
Non-operating income/(expenses)				
(Loss)/income from managed funds	(452,566)	1,151,487	(453,317)	1,133,081
Interest received on deposits	91,646	110,496	(255)	2,612
Interest received on loans	4,021	5,017	4,021	5,017
Foreign exchange (loss)/gain	(6,761)	14,155	(6,761)	14,155
(Loss)/profit on sale of non-current assets	(36,722)	72,319	(36,722)	72,319
Loss on revaluation of investment property	(282,063)	-	(223,552)	-
Total non-operating income/(expenses)	(682,445)	1,353,474	(716,586)	1,227,185
Net (deficit)	(3,148,196)	(1,286)	(3,794,175)	(1,028,304)
Revaluation of land and buildings	7,497,913	-	7,513,263	-
Total comprehensive income	4,349,717	(1,286)	3,719,088	(1,028,304)

The itemised statement of comprehensive income does not form part of the audited financial statements and therefore it is not covered in the auditors' report.

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

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

CONSOLIDATED	2016	2015	2014	2013	2012	5 Year Average
Operating surplus/(deficit) before income tax	(2,465,751)	(1,354,760)	(1,582,454)	2,705,573	(1,120,828)	(763,644)
Non-operating income/(expenses)						
(Loss)/income from managed funds	(452,566)	1,151,487	1,162,452	1,626,376	(337,747)	630,000
Interest received on deposits	91,646	110,496	112,063	122,872	233,645	134,144
Interest received on loans	4,021	5,017	-	-	-	1,808
Foreign exchange (loss)/gain	(6,761)	14,155	-	7,436	3,861	3,738
Loss/profit on sale of non-current assets	(36,722)	-	-	-	-	(7,344)
Loss on revaluation of investment property	(282,063)	72,319	-	-	-	(41,949)
Total non-operating income/(expenses)	(682,445)	1,353,474	1,274,515	1,756,684	(100,241)	720,397
Net surplus/(deficit)	(3,148,196)	(1,286)	(307,939)	4,462,258	(1,221,069)	(43,246)
Other comprehensive income						
Revaluation of land and buildings	7,497,913	-	-	790,953	2,059,013	2,069,576
Total comprehensive income/(loss) for the year	4,349,717	(1,286)	(307,939)	5,253,211	837,944	2,026,329
FEDERAL						
Operating surplus/(deficit) before income tax	(3,077,589)	(2,255,487)	(1,897,940)	1,062,000	(445,325)	(1,308,405)
Non-operating income/(expenses)						
(Loss)/income from managed funds	(453,317)	1,133,081	1,101,251	1,537,258	(370,256)	291,597
Interest received on deposits	(255)	2,612	-	7,436	117,186	27,203
Interest received on loans	4,021	5,017	-	-	-	1,808
Foreign exchange (loss)/gain	(6,761)	14,155	(9,468)	-	3,861	357
Loss/profit on sale of non-current assets	(36,722)	72,319	-	-	-	7,119
Loss on revaluation of investment property	(223,552)					
Total non-operating income/(expenses)	(493,034)	1,227,185	1,091,783	2,335,647	1,809,804	2,637,755
Net surplus/(deficit)	(3,570,623)	(1,028,304)	(806,157)	3,397,647	1,364,479	1,329,351
Other comprehensive income						
Revaluation of land and buildings	7,289,711	-	-	790,953	2,059,013	2,027,935
Net surplus/(deficit)	3,719,088	(1,028,304)	(806,157)	3,397,647	1,364,479	1,329,351

THE MARITIME UNION OF AUSTRALIA AND ITS SUBSIDIARY

CONCISE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016



The Concise Financial Report is an extract from the Union's Full Financial Report for the year ended 30 June 2016. 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 Financial Report of the Maritime Union of Australia for the financial year ended 30 June 2016 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:

Bray, I	Deakin, J	McAleer, P
Bull, A *	Evans, A	Miners, J
Burford, A *	Gallagher, P	Myers, M *
Cain, C	Garrett, P	Newlyn, J
Cain, D	Hoy, J	Outram, D *
Campbell, J	Italia, Joseph	Patchett, R
Carnegie, R	Jones, M	Paterson, J *
Cassar, J	Keane, G	Smith, W
Clothier, C *	Keating, P	Tracey, W
Crumlin, P	Mayor, T	Williams, G

* *Honorary Electorate*

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 2016 has been received and can be found on page 5 of the Full Financial Report.

The Financial Report of The Maritime Union of Australia for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the National Council on the 10th of October 2016.

STATEMENT OF FINANCIAL POSITION	Consolidated		Federal	
	2016	2015	2016	2015
Current assets	16,439,403	16,220,352	11,282,960	10,908,353
Non-current assets	41,769,324	35,102,113	39,995,548	33,257,249
Total assets	58,208,727	51,322,464	51,278,508	44,165,602
Current liabilities	7,685,481	6,323,498	8,890,003	6,670,748
Non-current liabilities	6,354,059	5,179,496	6,354,059	5,179,496
Total liabilities	14,039,540	11,502,994	15,244,062	11,850,244
Members' funds	44,169,187	39,819,470	36,034,446	32,315,358

THE MARITIME UNION OF AUSTRALIA AND ITS SUBSIDIARY

CONCISE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016



STATEMENT OF COMPREHENSIVE INCOME	Consolidated		Federal	
	2016	2015	2016	2015
Operating income and expenses				
Revenues from operating activities	21,368,796	22,285,100	19,119,194	19,509,249
Employee benefits expense	(11,548,987)	(11,531,553)	(11,441,348)	(11,521,442)
Finance Cost	(303,234)	(195,416)	(303,234)	(195,416)
Depreciation and amortisation expenses	(1,015,756)	(876,461)	(968,307)	(834,169)
Other expenses from ordinary activities	(10,966,570)	(11,036,431)	(9,483,894)	(9,213,711)
Operating (deficit)	(2,465,751)	(1,354,760)	(3,077,589)	(2,255,489)
Non-operating income and expenses				
(Loss)/income from managed funds	(452,566)	1,151,487	(453,317)	1,133,081
Interest received on deposits	91,646	110,496	(255)	2,612
Interest received on loans	4,021	5,017	4,021	5,017
Foreign exchange (loss)/gain	(6,761)	14,155	(6,761)	14,155
(Loss)/profit on sale of non-current assets	(36,722)	72,319	(36,722)	72,319
Loss on revaluation of investment property	(282,063)	-	(223,552)	-
Non-operating income and expenses	(682,445)	1,353,474	(716,586)	1,227,185
Net (deficit) from ordinary activities	(3,148,196)	(1,286)	(3,794,175)	(1,028,304)
Other comprehensive income	7,497,913	-	7,513,263	-
Total comprehensive income/(loss) for the year	4,349,717	(1,286)	3,719,088	(1,028,304)

CASH FLOW STATEMENT	Consolidated		Federal	
	2016	2015	2016	2015
CASH FLOW FROM ORDINARY ACTIVITIES				
Receipts from members	19,386,730	19,838,004	18,822,079	19,677,782
Payments to suppliers and employees	(24,315,366)	(18,704,047)	(22,437,542)	(19,402,381)
Interest received	103,557	110,496	3,766	2,612
Commission received	191,192	415,448	28,782	205,356
Rent received	1,140,746	419,085	1,111,544	380,451
Other receipts	455,094	654,599	220,352	715,022
Donations paid	(263,413)	(1,802,678)	(227,441)	(205,091)
Donations received	1,173,378	843,909	570,520	105,074
Net cash provided by/(used in) operating activities	(2,128,082)	1,774,816	(1,907,940)	1,478,825
CASH FLOW FROM INVESTING ACTIVITIES				
Interest received from investments	3,368	56,317	-	2,101
Sale of managed investments	3,195,000	-	3,195,000	-
Proceeds from sale of property, plant and equipment	90,243	193,955	90,243	193,955
Purchase of investment property	(3,621,693)	(3,804,762)	(3,571,467)	(2,862,000)
Purchase of property, plant and equipment	(188,842)	(978,400)	(188,842)	(967,490)
Net cash (used in) investing activities	(521,924)	(4,532,890)	(475,066)	(3,625,451)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from borrowings	3,037,070	1,626,712	3,037,070	1,626,712
Repayment of borrowings	(508,138)	(322,924)	(508,028)	(322,924)
Repayment of Official loan/member's loan	7,327	35,800	8,979	7,983
Net cash provided by financing activities	2,536,259	1,339,588	2,538,021	1,311,771
Net (decrease)/increase in cash and cash equivalents	(113,747)	(1,418,486)	155,015	(842,838)
Cash and cash equivalent at the beginning of the financial year	4,983,963	6,402,449	794,081	1,636,919
Cash and cash equivalent at the end of the financial year	4,870,216	4,983,963	949,096	794,081

THE MARITIME UNION OF AUSTRALIA AND ITS SUBSIDIARY
CONCISE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016



CHANGE IN MEMBERS FUNDS	Fighting Fund Reserve	Revaluation Reserve	Other Reserves	Retained Surplus	Total Equity
CONSOLIDATED					
At 1 July 2014	18,739	2,849,966	4,206,807	32,745,244	39,820,756
Net surplus/(deficit) for the year	-	-	45,616	(46,902)	(1,286)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	45,616	(46,902)	(1,286)
Transfer to Reserves	-	-	(1,442,496)	1,442,496	-
At 30 June 2015	18,739	2,849,966	2,809,927	34,140,838	39,819,470
Net (deficit) for the year	-	-	90,883	(3,239,079)	(3,148,196)
Other comprehensive income	-	7,497,913	-	-	7,497,913
Total comprehensive income	-	7,497,913	90,883	(3,239,079)	4,349,717
Transfer to Reserves	-	-	(1,259,399)	1,259,399	-
At 30 June 2016	18,739	10,347,879	1,641,411	32,161,158	44,169,187
FEDERAL					
At 1 July 2014	18,739	2,849,966	1,119,284	29,355,673	33,343,662
Net (deficit) for the year	-	-	-	(1,028,304)	(1,028,304)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	(1,028,304)	(1,028,304)
Transfer to Reserves	-	-	(1,036,364)	1,036,364	-
At 30 June 2015	18,739	2,849,966	82,920	29,363,733	32,315,358
Net (deficit) for the year	-	-	-	(3,794,175)	(3,794,175)
Other comprehensive income	-	7,513,263	-	-	7,513,263
Total comprehensive income	-	7,513,263	-	(3,794,175)	3,719,088
Transfer to Reserves	-	-	(82,920)	82,920	-
At 30 June 2016	18,739	10,363,229	-	25,652,478	36,034,446

End of Concise Financial Report



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARITIME UNION OF AUSTRALIA AND ITS SUBSIDIARY

Report on the Concise Financial Report

We have audited the accompanying concise financial report of The Maritime Union of Australia, its Subsidiary and Branches (the "Union") comprises the statement of financial position, the statement of comprehensive income, statement of changes in members' fund and statement of cash flows, which are derived from the audited financial report of the Union for year then ended 30 June 2016. We expressed an unmodified audit opinion on that financial report in our report dated 20th October 2016. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards and accordingly reading the concise report is not a substitute for reading the audited financial report of the Union.

National Council's Responsibility for the Concise Financial Report

The National Council is responsible for the preparation of the financial report in accordance with the Australian Accounting Standards AASB 1039 *Concise Financial Reports* and the Fair Work (Registered Organisations) Act 2009.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Auditing Standards ASA 810 *Engagements to Report on Summary Financial Statements*. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgment, including the risk of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Union's preparation of concise financial report in order to design procedures that are appropriate in the circumstances, but not purpose of expressing an opinion on the effectiveness of Union's internal control. Our procedures included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Australian Accounting Standards AASB 1039: *Concise Financial Report* and the Fair Work (Registered Organisations) Act 2009.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARITIME UNION OF AUSTRALIA AND ITS SUBSIDIARY

Independence

In conducting our audit, we have complied with the independence requirements of the APES 110 - Code of Ethics for Professional Accountants and the Fair Work (Registered Organisations) Act 2009.

Opinion

In our opinion, the concise financial report of the Maritime Union of Australia, its subsidiary and branches for the year ended 30 June 2016 is consistent, in all material respects with the financial report from which it was derived and complies with Australian Accounting Standards AASB 1039: *Concise Financial Reports* and the Fair Work (Registered Organisations) Act 2009.

In accordance with the Reporting Guidelines for the purposes of Section 253, the following declarations are made in reference to the auditor:

- i. is a registered company auditor and a Partner of ESV Accounting and Business Advisors.
- ii. is a fellow of Chartered Accountants Australia and New Zealand, and holds a current Public Practice Certificate.

Dated this 20th day of October 2016

ESV Accounting and Business Advisors

David P. Robinson, FCA
Partner



7 December 2016

Mr Pdraig Crumlin
National Secretary
Maritime Union of Australia

Sent via email: muano@mua.org.au

Dear Mr Crumlin,

Lodgement of Financial Report - Reminder to lodge

The Fair Work Commission's (the Commission) records disclose that the financial year of the Maritime Union of Australia (the reporting unit) ended on the 30 June 2016.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). The full report must be lodged with the Commission within 14 days of that meeting.

The Commission encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$54,000 per contravention on the organisation and up to \$10,800 per contravention on an officer whose conduct led to the contravention.

Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to orgs@fwc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Should you seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,



Sam Gallichio
Adviser
Regulatory Compliance Branch

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au



15 July 2016

Mr Padraig Crumlin
National Secretary
The Maritime Union of Australia
By email: muano@mua.org.au

Dear Mr Crumlin,

**Re: Lodgement of Financial Report - [FR2016/72]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Maritime Union of Australia, The (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Timelines

The 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. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

Loans, grants and donations: our focus this year

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Civil penalties may apply

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

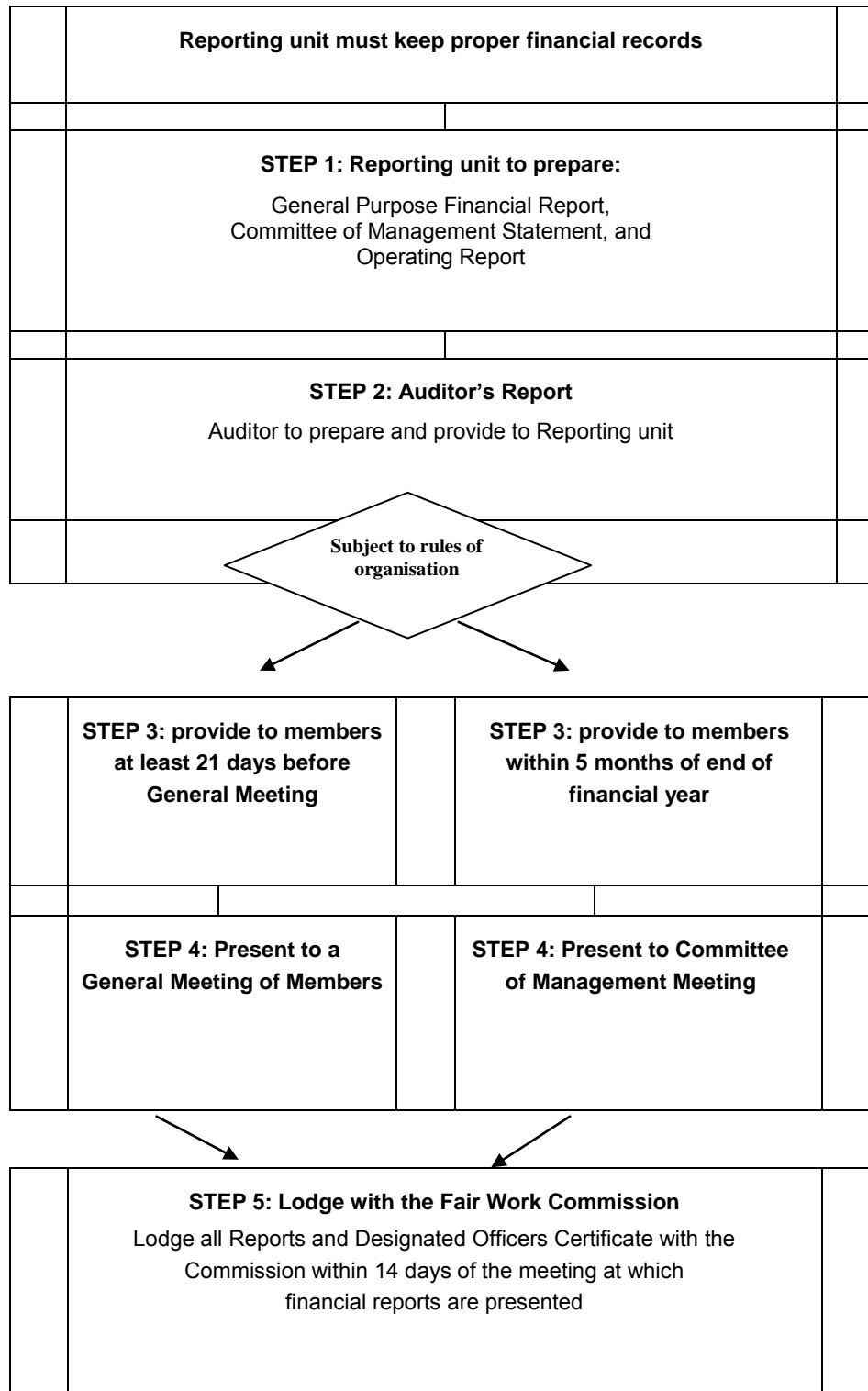


Annastasia Kyriakidis
Adviser
Regulatory Compliance Branch

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,* and







the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on orgs@fwc.gov.au