



17 October 2014

Christopher Warren  
Federal Secretary  
Media, Entertainment & Arts Alliance  
245 Chalmers Street  
REDFERN NSW 2013

Dear Mr Warren

**Media, Entertainment & Art Alliance Financial Report for the year ended 30 June 2013 - [FR2013/274]**

I acknowledge receipt of the financial report of the Media, Entertainment & Art Alliance (MEAA). The documents were initially lodged with the Fair Work Commission (FWC) on 13 November 2013.

I also acknowledge receipt of supplementary information, which included the amended financial report, on 18 June 2014, 16 September 2014 and 16 October 2014 in relation to addressing the issues raised in my letter dated 16 May 2014. As agreed on the 24 June 2014, this amended financial report will be provided to MEAA members as an Addendum to MEAA 2013/2014 financial report.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

**Changes to the reporting guidelines and model financial statement**

A fourth edition of the General Manager's s.253 Reporting Guidelines was gazetted on 13 June 2014. These guidelines will apply to all financial reports that end on or after 30 June 2014. A model set of financial statements for the 2013-2014 financial year is also available on the FWC website. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards.

The Reporting Guidelines and Model Financial Statements are available on the website here: <https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

If you have any queries regarding this letter, please contact me on (03) 8661 7886 or via email at [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au).

Yours sincerely

Joanne Fenwick  
Financial Reporting Specialist  
Regulatory Compliance Branch

**MEDIA, ENTERTAINMENT & ARTS  
ALLIANCE**  
Financial Statements for the year  
ended 30 June 2013

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# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## ELECTED OFFICERS' REPORT 30 JUNE 2013

The elected officers present their report, together with the financial statements, on the Media, Entertainment and Arts Alliance ("Alliance") for the year ended 30 June 2013.

### Elected Employed Officers

The following person was an elected employed officer of the Alliance and member of the Federal Management Committee during the whole of the financial year and up to the date of this report, unless otherwise stated:

Christopher Warren

### Federal Management Committee members

The following persons were committee members of the Alliance during the whole of the financial year and up to the date of this report, unless otherwise stated:

Patricia Amphlett

Simon Burke

Simon Collins

Christopher Warren

John West

Gina McColl (from 31<sup>st</sup> October 2012)

Philippa McDonald (from 29<sup>th</sup> April 2013)

Corinne Grant (from 29<sup>th</sup> April 2013)

Jacob Holmes (from 29<sup>th</sup> April 2013)

Monica Main (from 31<sup>st</sup> October 2012)

Stuart Washington (from 10<sup>th</sup> September 2012)

Mitchell Butel (from 31<sup>st</sup> October 2012 to 28<sup>th</sup> April 2013)

### Planning and Strategy for achieving objectives

To achieve our short and long term objectives there are five key strategic directions in place 1. Organise to Grow 2. Your rights at work 3. Build Better Benefits and Extended Services 4. Shape our industries through communications and campaigns 5. Be Part of Something Bigger

### Salary Scales

Salary scales of all staff including officers fell into the following bands:

	Number Employed	
	2011-2012	2012-2013
Under \$20,000	5	3
\$20,000-\$30,000	0	0
\$30,000-\$40,000	5	4
\$40,000-\$50,000	10	9
\$50,000-\$60,000	14	13
\$60,000-\$70,000	10	7
\$70,000-\$80,000	9	11
\$80,000-\$90,000	8	9
\$90,000-\$100,000	6	6
\$100,000-\$110,000	4	8
\$110,000-\$120,000	2	1
\$120,000-\$130,000	5	5
\$130,000-\$140,000	2	1
Over \$140,000	1	1
<b>Total</b>	<b>81</b>	<b>78</b>

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## ELECTED OFFICERS' REPORT 30 JUNE 2013 (CONT.)

### Meetings of MEAA Management Committee

The number of meetings attended by members of the Media, Entertainment and Arts Alliance's Management Committee during the year ended 30 June 2013 were:

Name	Attended	Eligible
Patricia Amphlett	11	11
Stuart Washington	7	8
Simon Burke	5	10
John West	10	11
Simon Collins	9	11
Mitchell Butel	4	6
Monica Main	3	7
Gina McColl	6	10
Corinne Grant	1	3
Jacob Holmes	2	3
Philippa McDonald	2	3
Christopher Warren	11	11

### Financial Report

Income decline as a result of job losses in the media section saw MEAA turn in a loss for the 2012-2013 financial year, although action to rein in costs reduced the impact of the income decline.

Despite the annual increase in fees, income from membership fees dropped by 3 per cent or about \$244,000 on the previous year, to about \$8,463,000. The income falls hit the Media section and the Equity section where income fell as a result of a decline in fees from foreign artists and fees paid on residual payments. Income from the Entertainment, Crew & Sport section was up marginally, reflecting a strong focus on organising and recruitment in the section.

This current financial year is expected to be one of transition as job losses continue to feed into MEAA income. As a result, the reserves we have been able to build out of our repeated surpluses of the past few years will be necessary to sustain the union through the current transition.

The Walkley Foundation again delivered a surplus about \$56,000 of on a turnover of \$1,729,000. The Walkley surplus is consolidated in the Walkley reserve. After the end of the financial year, the Media National Section Committee decided to establish the Walkleys as a not-for-profit company limited by guarantee. As a result, a balance sheet for the Walkleys has been included in the MEAA accounts, although the assets and liabilities remain consolidated in the MEAA balance sheet.

The fall in residual payments resulted in a fall in administration fees. The fall in interest fees also resulted in reduced interest income for the Equity Trust. These two sources fund the operation of the trust and, as a result, the trust made a loss which was funded from the Equity Foundation. The resulting loss by the Equity Foundation was funded by drawing down on the Equity Foundation reserve.

Staff remained the major cost for MEAA. At the end of the financial year, the MEAA employed 78 staff either full-time or part-time, down from 81 at the beginning of the year. Full-time equivalent staff was up about 74.9 at June 30, up from 67.6 over the 12 months. The increase was due to most previously vacant positions being filled.

Staff costs, however, were up as higher usual staff turnover during the previous financial year had meant savings through vacancies. Reduced turnover this year meant fewer positions were vacant for any period of time.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## ELECTED OFFICERS' REPORT 30 JUNE 2013 (CONT.)

### Financial Report (Cont.)

To sustain the union, this figure will reduce to 71.7 by the end of 2013 and, in necessary, 67.6 by the end of the 2013-14 financial year. We are also reviewing all non-staff costs including telecommunications, travel, communications and printing with a view to reducing costs to breakeven this financial year and next.

Staff wages (including wages of elected employed officers) were adjusted during the year under a pay agreement that extends to staff rises that reflect the average rises under MEAA-negotiated agreements. This involved a rise of 3 per cent on July 12, 2012 and a rise of 2.75 per cent July 1, 2013.

Staff stability saw provisions for untaken annual leave and long service leave increase to about \$1,071,000. However, this remains covered by the real cash provision set aside for staff entitlements which remains sufficient to cover all entitlements of about \$1.03 million.

The mortgage over MEAA properties was reduced during the year, to \$591,000 underpinned by properties in Sydney, Melbourne and Adelaide with a book value of about \$4.4 million and a commercial valuation of about \$6.1 million.

Out net assets are now about \$6.7 million with a turnover of about \$11.5 million. Our working capital (the difference between current assets and current liabilities) is about \$2.14 million, in line with our goal to have working capital of about 20 per cent of turnover.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## ELECTED OFFICERS' REPORT 30 JUNE 2013 (CONT.)

### Financial Report (Cont.)

Details of budget 2013-2014 and Actuals for the previous nine years:

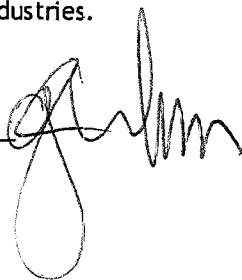
	2013-2014 budget \$	Actual								
		2012-2013 \$	2011-2012 \$	2010-2011 \$	2009-2010 \$	2008-2009 \$	2007-2008 \$	2006-2007 \$	2005-2006 \$	2004-2005 \$
<b>Total Income</b>	11,508,500	11,725,084	11,915,332	10,991,779	10,480,906	11,039,723	10,706,162	9,913,677	9,010,401	7,655,953
<b>Total Costs</b>	(11,399,800)	(11,900,586)	(11,437,707)	(10,226,481)	(9,143,369)	(10,230,635)	(9,931,254)	(9,470,269)	(8,753,424)	(7,394,694)
<b>Surplus</b>	108,700	(175,503)	477,625	765,318	1,337,537	809,088	774,908	443,408	256,977	261,259
<b>Stability Reserve</b>	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,017,514	958,496	725,237
<b>Fighting Fund Reserve</b>	1,400,000	1,365,474	1,365,473	1,288,099	1,024,801	554,617	254,905	-	-	-

### Principal activities

During the financial year the principal continuing activities of the Alliance continued to be a union and profession organisation for creative workers in the media, entertainment, sports and arts industries.

On behalf of the officers

Christopher Warren  
Federal Secretary



23 September 2014, Sydney

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## FEDERAL SECRETARY'S REPORT 30 JUNE 2013

On 25 October 2013 the Committee of Management of the Media, Entertainment & Arts Alliance (the "Alliance") passed the following resolution in relation to the general purpose financial statements (GPFS) of the reporting unit for the financial year ended 30 June 2013:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the 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 reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Alliance will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFS relates and since the end of the year;
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) the information sought in any request of a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RO Act.
- (f) in relation to recovery of wages activity:
  - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of General Manager; and
  - (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
  - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and



# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## FEDERAL SECRETARY'S REPORT 30 JUNE 2013 (CONT)

- (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

### Significant change in State of Affairs

There has been no significant change in the Alliance's financial affairs or state of affairs during or since the end of the financial year.

### Board fees

Fees paid to Alliance employees (including employed officers) for sitting on boards or committees are remitted to the union. Specifically in relation to superannuation, we nominate two board members and one alternate board member to our industry fund, Media Super. The federal secretary is one of the two board members and our Victoria branch secretary, Louise Connor, is our alternate. All our fees (general board fees and sitting fees) are paid to the union. The federal secretary's director fee from Media Super for the period 1 July 2012 to 30 June 2013 of \$36,245 was paid to the Alliance. The policy of Media Super is to set board fees each year at the level of the bottom 25 per cent of industry funds to ensure it acts as a low-cost fund. These are published in the fund's annual report.

Our other nominee is not employed by the union and, as the time he spends on superannuation matters is time he cannot earn any other income, his fees are paid directly to him as compensation for time spent representing union members.

No Alliance officers are currently members of any government appointed board that attracts remuneration other than reimbursement of expenses.

### Staff remuneration

Wages and conditions of most Alliance staff are regulated by the staff conditions which are set by negotiation with staff. Our fundamental policy in setting conditions is that they should be no better than those we are able to negotiate for members. Wages are adjusted each year by an average of major negotiated agreements.

Remuneration for staff members is set when they commence employment, based on an assessment of skills and experience. An annual review covers salaries, although staff earning up to about \$60,000 (including administrative staff) have access to annual increments subject to satisfactory performance. Any rises require the approval of the federal secretary. Salaries of staff are reported in the annual report in a banding table that compares salaries on a year-on-year basis.

The conditions and annual wage adjustment process apply equally to all elected officers. The salaries of the employed branch secretaries are set by the federal secretary through the performance review process. The exception to this is the director of the Walkley Foundation. Her salary is reviewed by the chair of the Walkley Board from time to time.

The salary of the federal secretary is set by the Federal Management Committee based on an independent review. This occurred most recently in 2008. This demonstrated that the salary was in line with general salary level within the union movement. We reimburse staff travel expenses at the flat level of \$55 per night away from home, unless a staff member is provided with a meal if, for example, he or she is attending an event.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

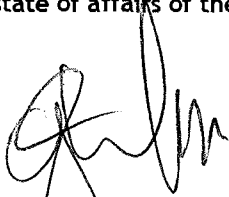
## FEDERAL SECRETARY'S REPORT 30 JUNE 2013 (CONT)

Names of Committee of Management members and employees and period positions held during the financial year

Name	Position
C Warren	Federal Secretary
P Amphlett	Federal President
S Burke	Federal President (Actors Equity)
S Collins	Federal President (Musicians)
J West	Federal President (ATAEA)
S Washington (from 10 <sup>th</sup> September 2012)	Federal President (Media)
C Grant (from 29 <sup>th</sup> April 2013)	Federal Vice-President
J Holmes (from 29 <sup>th</sup> April 2013)	Federal Vice-President
M Main (from 31 <sup>st</sup> October 2012)	Federal Vice-President
G McColl (from 31 <sup>st</sup> October 2012)	Federal Vice-President
P McDonald (from 29 <sup>th</sup> April 2013)	Federal Vice-President
M Butel (from 31 <sup>st</sup> October 2012 to 28 <sup>th</sup> April 2013)	Federal Vice President

### Events after the reporting Date

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



For Committee of Management: Christopher Warren  
Title of Office held: Federal Secretary

Dated this 23rd day of September 2014



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Level 11, 1 Margaret St  
Sydney NSW 2000  
Australia

**DECLARATION OF INDEPENDENCE BY GRANT SAXON TO THE MEMBERS OF MEDIA ENTERTAINMENT  
ARTS & ALLIANCE**

As lead auditor of Media Entertainment Arts & Alliance for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Fair Work (Registered Organisation) Act 2009* in relation to the audit; and
2. No contravention of any applicable code of professional conduct in relation to the audit.

**Grant Saxon**

**Partner**

**Sydney, 23 September 2014**

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2013

	Note	2013 \$	2012 \$
<b>REVENUE</b>			
Revenue from ordinary activities	2	11,725,083	11,915,332
<b>EXPENDITURE</b>			
Depreciation and amortisation	3	(260,923)	(221,393)
Finance costs	3	(80,010)	(104,629)
Employee costs	3	(7,550,051)	(6,844,079)
Site costs		(568,735)	(635,538)
Affiliation fees	3	(379,285)	(275,415)
Printing and postage		(180,633)	(192,440)
Telephone		(153,393)	(167,130)
Magazines		(328,000)	(436,012)
Repairs and maintenance		(503,304)	(506,076)
Travel		(299,884)	(320,074)
Events		(891,248)	(1,005,220)
Other expenses from ordinary activities	3	(705,120)	(729,701)
<b>Total direct costs</b>		<b>(11,900,586)</b>	<b>(11,437,707)</b>
<b>(Loss) / surplus before income tax expense</b>		<b>(175,503)</b>	<b>477,625</b>
<b>Income tax expense</b>		<b>-</b>	<b>-</b>
<b>(Loss) / surplus after income tax expense attributable to the members of Media, Entertainment &amp; Arts Alliance</b>		<b>(175,503)</b>	<b>477,625</b>
<b>Other comprehensive income for the year (net of tax)</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year attributable to the members of Media, Entertainment &amp; Arts Alliance</b>		<b>(175,503)</b>	<b>477,625</b>

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Statement of Financial Position as at 30 June 2013

	Note	2013	2012
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	4,589,917	4,729,381
Trade and other receivables	6	811,710	844,712
Other current assets	7	283,874	204,044
<b>Total current assets</b>		<b>5,685,501</b>	<b>5,778,137</b>
<b>Non-current assets</b>			
Financial assets	8	18,608	16,180
Property, equipment and vehicles	9	4,625,746	4,692,892
<b>Total non-current assets</b>		<b>4,644,354</b>	<b>4,709,072</b>
<b>TOTAL ASSETS</b>		<b>10,329,855</b>	<b>10,487,209</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	885,979	764,300
Short-term borrowings	11	591,173	1,091,173
Short-term provisions	12	929,087	938,650
Other current liabilities	13	1,139,941	845,477
<b>Total current liabilities</b>		<b>3,546,180</b>	<b>3,639,600</b>
<b>Non-current liabilities</b>			
Long-term provisions	12	142,019	30,450
<b>Total non-current liabilities</b>		<b>142,019</b>	<b>30,450</b>
<b>TOTAL LIABILITIES</b>		<b>3,688,199</b>	<b>3,670,050</b>
<b>NET ASSETS</b>		<b>6,641,656</b>	<b>6,817,159</b>
<b>EQUITY</b>			
Reserves		4,244,972	4,620,534
Retained earnings		2,396,684	2,196,625
<b>TOTAL EQUITY</b>		<b>6,641,656</b>	<b>6,817,159</b>

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Statement of Changes in Equity for the year ended 30 June 2013

2013	Stability Reserve \$	Fighting Fund (strike) \$	Equity Foundation Reserve \$	SOMA Reserve \$	Walkley Foundation Reserve \$	Campaign Reserve \$	Special Leave Reserve \$	Property and Mortgage Reserve \$	Retained Earnings \$	Total \$
Balance at 1 July 2012	1,000,000	1,365,474	483,964	65,442	316,249	701,453	215,000	472,952	2,196,625	6,817,159
Net (deficit) attributable to members of the entity	-	-	-	-	-	-	-	-	(175,503)	(175,503)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income attributable to the members	-	-	-	-	-	-	-	-	(175,503)	(175,503)
Transfers to and from reserves										
- Fighting Fund	-	(862)	-	-	-	-	-	-	862	-
- Stability Reserve	-	-	-	-	-	-	-	-	-	-
- Equity Foundation Reserve	-	-	(102,143)	-	-	-	-	-	102,143	-
-Special Leave Reserve	-	-	-	-	-	-	85,000	-	(85,000)	-
- SOMA Reserve	-	-	-	59,440	-	-	-	-	(59,440)	-
- Walkley Foundation Reserve	-	-	-	-	55,955	-	-	-	(55,955)	-
- Property and Mortgage Reserve	-	-	-	-	-	-	-	(472,952)	472,952	-
Balance at 30 June 13	1,000,000	1,364,612	381,821	124,882	372,204	701,453	300,000	-	2,396,684	6,641,656
Supported by separate bank account	1,022,010	835,832	112,134	-	112,134	-	-	-	-	2,082,110

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Statement of Changes in Equity for the year ended 30 June 2012

2012	Stability Reserve	Fighting Fund (strike)	Equity Foundation Reserve	SOMA Reserve	Walkley Foundation Reserve	Western Australian Journalists Reserve	Campaign Reserve	Special Leave Reserve	Property and Mortgage Reserve	Retained Earnings	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2011	1,000,000	1,288,099	475,621	52,171	259,814	-	701,453	215,000	150,000	2,197,376	6,339,534
Net surplus attributable to members of the entity	-	-	-	-	-	-	-	-	-	477,625	477,625
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income attributable to the members</b>	-	-	-	-	-	-	-	-	-	477,625	477,625
Transfers to and from reserves											
- Fighting Fund	-	69,576	-	-	-	-	-	-	-	(69,576)	-
- Stability Reserve	-	7,799	-	-	-	-	-	-	-	(7,799)	-
- Equity Foundation Reserve	-	-	8,343	-	-	-	-	-	-	(8,343)	-
- SOMA Reserve	-	-	-	13,271	-	-	-	-	-	(13,271)	-
- Walkley Foundation Reserve	-	-	-	-	56,435	-	-	-	-	(56,435)	-
- Property and Mortgage Reserve	-	-	-	-	-	-	-	-	322,952	(322,952)	-
<b>Balance at 30 June 2012</b>	<b>1,000,000</b>	<b>1,365,474</b>	<b>483,964</b>	<b>65,442</b>	<b>316,249</b>	<b>-</b>	<b>701,453</b>	<b>215,000</b>	<b>472,952</b>	<b>2,196,625</b>	<b>6,817,159</b>
Supported by separate bank account	1,000,000	785,758	107,799	-	107,799	-	-	-	-	-	2,001,356

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Statement of Cash Flows for the year ended 30 June 2013

	Note	2013 \$	2012 \$
<b>Cash flows from operating activities:</b>			
Receipts from members and sponsors (inclusive of GST)		12,470,461	12,039,891
Payments to suppliers and employees (inclusive of GST)		(12,177,385)	(12,119,522)
Interest received		341,247	458,740
Finance costs		(80,010)	(104,629)
<b>Net cash provided by operating activities</b>	<b>14</b>	<b>554,313</b>	<b>274,480</b>
<b>Cash flows from investing activities:</b>			
Acquisition of property, equipment and vehicles	9	(193,777)	(178,756)
<b>Net cash used in investing activities</b>		<b>(193,777)</b>	<b>(178,756)</b>
<b>Cash flows from financing activities:</b>			
Repayment of borrowings		(500,000)	-
<b>Net cash used in financing activities</b>		<b>(500,000)</b>	<b>-</b>
<b>Net (decrease) / increase in cash held</b>		<b>(139,464)</b>	<b>95,724</b>
Cash and cash equivalents at beginning of year		4,729,381	4,633,657
<b>Cash and cash equivalents at end of financial year</b>	<b>5</b>	<b>4,589,917</b>	<b>4,729,381</b>



# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Media, Entertainment & Arts Alliance (the "Alliance") is an entity created under the *Fair Work (Registered Organisation) Act 2009* (hereafter referred to as the RO Act), registered and domiciled in Australia.

The financial statements of the Alliance comply with the Australian equivalents to International Financial Reporting Standards (IFRS) as they relate to not-for-profit entities.

### Adoption of new and revised accounting standards

The enclosed financial report has been prepared in accordance with the requirements of the Australian Accounting Standards and the RO Act including the section 253 Reporting Guidelines issued on 26 June 2013. The report is intended to illustrate the disclosure requirements of the Accounting Standards and the RO Act as required for the preparation of a general purpose financial report under Tier 1—Australian Accounting Standards.

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

Any significant impact on the accounting policies of the Alliance from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Alliance.

The following Accounting Standards and Interpretations are most relevant to the Alliance:

#### *AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income*

The Alliance has applied AASB 2011-9 amendments from 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The amendments also introduced the term 'Statement of profit or loss and other comprehensive income' clarifying that there are two discrete sections, the profit or loss section (or separate statement of profit or loss) and other comprehensive income section.

### Accounting standards and interpretations issued but not yet effective

Certain new accounting standards, amendments to standards and interpretations have been published that are not mandatory for the 30 June 2013 reporting period. The Alliance's assessment of the impact of these new standards, amendments to standards and interpretations in the period of initial application is set out below.

#### *AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9*

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2015 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The Alliance will adopt this standard from 1 July 2015 but the

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

impact of its adoption is yet to be assessed by the Alliance.

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

*AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13*

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the Alliance from 1 July 2013 should be minimal.

*AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)*

This revised standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments eliminate the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring re-measurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The amendments also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. This will require annual leave that is not expected to be wholly settled within 12 months to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken. The adoption of the revised standard from 1 July 2013 is expected to reduce the reported annual leave liability and increase disclosures of the Alliance.

*AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement*

These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 July 2013 has removed the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements will be included in the Fair Work Act or other legislation, it is expected that the amendments will not have a material impact on the Alliance.

*AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132]*

These amendments are applicable to annual reporting periods beginning on or after 1 January 2013. This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard. The Alliance has adopted this standard from 1 January 2013 but the impact of its adoption is yet to be assessed by the Alliance.

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

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

## Basis of Preparation

### *Reporting Basis and Conventions*

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the RO Act. For the purpose of preparing the general purpose financial statements, the Alliance is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities have been measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

## Accounting Policies

### (a) Property, Equipment and Vehicles

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

#### *Property*

Freehold land and buildings are measured at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

It is the policy of the Federal Management Committee to obtain a valuation every 3-5 years.

#### *Equipment and Motor Vehicles*

These are measured on the cost basis less depreciation and impairment losses. The carrying value is reviewed annually by the Federal Management Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the depreciated replacement cost of the asset or net cash flows that will be received from the assets' subsequent disposal.

#### *Depreciation*

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Alliance 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:

<i>Buildings</i>	2.5%
<i>Equipment and Motor Vehicles</i>	10-50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

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

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### (b) Impairment of Assets

At the end of each reporting period, the Alliance reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Alliance 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 a class of assets, the Alliance estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

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

### (c) Financial Instruments

#### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Alliance becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Alliance commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

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

#### Classification and subsequent measurement

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

*Amortised cost* is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and (iv) less any reduction for impairment.

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

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

### Available-for-sale financial assets

These include any financial assets not included in the above categories. They are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to the Statement of Comprehensive Income.

They are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets. Changes to fair value are taken directly to the Statement of Comprehensive Income.

### Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

### Fair value

This is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

### Impairment

At each reporting date, the Alliance assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

### Derecognition

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

### (d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

### (e) Employee Benefits

Provision is made for the Alliance's liability for employee benefits arising from services rendered by employees to the reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Notes to the Financial Statements for the year ended 30 June 2013

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(e) **Employee Benefits (Cont.)**

*Long service leave*

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(f) **Provisions**

These are recognised when the Alliance has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(g) **Revenue**

This is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Grant revenue is recognised in the statement of comprehensive income when it is expended. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the statement of financial position as a liability until such conditions are met or services provided.

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

Membership subscription income has been accounted for on an accruals basis. Membership subscriptions outstanding at the reporting date have been brought to account as receivables where subscriptions are paid by the members' employers through salary deductions. Membership income is deemed earned in the year to which it relates. Membership subscriptions relating to the unexpired part of the membership year are deferred and recognised as income in the next financial year.

Interest revenue is recognised when received. Dividend revenue is recognised when the right to receive a dividend has been established. All revenue is stated net of the amount of goods and services tax (GST).

(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 or the New Zealand Inland Revenue. 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 cashflows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) **Income Tax**

The Alliance is an income tax exempt entity under item 1.7 section 50-5 of the Income Tax Assessment Act 1997.

(j) **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Alliance prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(k) **Borrowings**

These are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. They are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses. They are classified as current liabilities unless the Alliance has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(l) **Foreign Currency Transactions and Balances**

The financial statements are presented in Australian dollars which is the Alliance's functional and presentation currency and rounded to the nearest dollar.

**Transaction and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

(m) **Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

(n) **Comparative Figures**

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

(o) **Critical accounting estimates and judgments**

The Federal Management Committee evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Alliance.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

### (o) Critical accounting estimates and judgments (Cont.)

#### *Key estimates - Impairment*

The Alliance assesses impairment at each reporting date by evaluating conditions specific to the Alliance that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. No impairment has been recognised.

### (p) Going concern

The Alliance agreed to provide International Federation of Journalists- Asia Pacific Office ("IFJ") with financial support to ensure they could continue on a going concern basis in relation to their financial report for the year ended 31 December 2012. The support was to act as banker, aiding IFJ to meet their short term working capital needs in order to continue to pay its debts as and when they fall due. This was as part of a long standing line of credit which has fluctuated between being in deficit, as in 2012, and sometimes in surplus. As at 30 June 2013 the balance owing to the Alliance from the IFJ was \$103,070. This has been included within Note 6, trade and other receivables.

This agreed financial support was given from 26 July 2013, when the IFJ financial report for the year ended 31 December 2012 was signed, up to 28 April 2014 at which point the financial report for the year ended 31 December 2013 was signed. No further financial support was needed from that point on and as such no guarantee for financial support was given in respect of the financial report for the period ended 31 December 2013. This was an interest free agreement with repayments made when IFJ working capital allows. It is expected that this receivable balance will reduce to \$Nil by the year ending 30 June 2014.

No going concern financial support was received by the Alliance from another reporting unit.



# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 2: REVENUE

	2013 \$	2012 \$
Operating activities		
- Subscriptions and fees	8,463,359	8,706,984
- Grants, sponsorships and events income	1,887,838	1,751,244
- Interest from financial institutions	341,247	458,740
- Rental income	130,515	98,493
-Capitation fees	-	-
-Levies	9,891	10,600
- Sundry income	892,233	889,271
<b>Total Revenue</b>	<b><u>11,725,083</u></b>	<b><u>11,915,332</u></b>

The Alliance was not in receipt of any financial support from another reporting unit of the organisation during the year (2012 - \$Nil).

### (a) Levies

The levies disclosed in total above were in respect to monies paid to the following benevolent funds:

ACT journalist benevolent fund	4,231	4,360
SA journalist benevolent fund	1,960	2,245
WA journalist benevolent fund	2,670	2,935
WA entertainment, crew and sport benevolent fund	1,030	1,060
<b>Total Levies</b>	<b><u>9,891</u></b>	<b><u>10,600</u></b>

## NOTE 3: SURPLUS OR DEFICIT FROM ORDINARY ACTIVITIES

	2013 \$	2012 \$
Surplus or Deficit from ordinary activities has been determined after charging the following expenses:		
Finance costs		
- Financial institutions	80,011	104,629
Depreciation of non-current assets, including equipment and vehicles	96,183	64,309
Amortisation of non-current assets		
- leasehold improvements	164,740	157,084
<b>Total Depreciation</b>	<b><u>260,923</u></b>	<b><u>221,393</u></b>

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 3: SURPLUS FROM ORDINARY ACTIVITIES (CONT.)

	2013 \$	2012 \$
Legal fees	129,418	86,159
Donations	2,673	19,697
Honoraria	26,464	35,099
Audit fee	39,000	39,000
Other services provided by auditors (Equity Trust quarterly residuals audit, FBT review)	27,500	20,000
Consideration to employers for payroll deductions	4,482	5,039
Capitation fees	-	-
Compulsory levies	-	-
Fees/ allowances - meetings and conferences	-	-
Conference and meeting expenses	198,850	192,041
Penalties - via RO Act or RO Regulations	-	-
Rental expense on operating leases	146,807	107,795
<b>Employee benefits to Office Holders</b>		
- salaries	468,450	366,657
- annual leave	53,515	55,617
- long service leave	5,651	1,332
- redundancies	1,118	239,809
- superannuation	89,568	116,751
- benefits	-	-
- other employee costs	46,455	58,144
<b>Total Employee Benefits to Office Holders</b>	<b>664,756</b>	<b>838,311</b>
<b>Employee benefits to Staff other than Office Holders</b>		
- salaries	4,739,454	4,130,819
- annual leave	436,834	310,291
- long service leave	46,795	24,595
- redundancies	83,403	259,365
- superannuation	587,724	567,755
- benefits	-	-
- other employee costs	991,084	712,943
<b>Total Employee Benefits to Staff other than Office Holders</b>	<b>6,885,294</b>	<b>6,005,768</b>

## NOTE 3: SURPLUS FROM ORDINARY ACTIVITIES (CONT.)

	2013	2012
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# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

\$ \$

## (b) Affiliation fees

The affiliation fees disclosed in total above were in respect of the following entities:

Affiliation	Which Members	2013	2012
<b>National</b>			
ACTU	All sections (except media)	43,361	41,603
NZ Council of Trade Unions	All members in New Zealand	1,851	1,282
<b>State and Territories</b>			
<b>Unions NSW</b>			
South Coast Labour Council	All sections in NSW	22,462	28,923
Victorian Trades Hall Council		460	453
Ballarat Trades Hall	All sections in Victoria	38,704	36,909
Queensland Council of Unions		215	52
South Australia United Trades and Labour Council	All sections in QLD (except media)	4,951	-
Western Australia Trades and Labour Council	All sections in SA (except media)	3,143	4,309
Unions ACT	All sections in WA (except media)	6,721	2,999
Unions Tasmania	All sections in TAS (except media)	2,086	2,134
		543	543
<b>Trade union centres - Other</b>			
APHEDA		964	964
Australia Asia Work Links Inc		182	200
Trade Union committee on aboriginal rights		273	300
<b>Australian Labor Party</b>			
Australian Labor Party (NSW)	All sections in NSW (except media)	15,882	13,451
Australian Labor Party (SA)	All sections in SA (except media)	1,544	1,964
<b>International</b>			
International Federation Of Actors	Equity	26,188	26,539
International Federation of Journalists	Media	47,268	38,803
International Federation of Musicians	SOMA and freelance musicians	3,899	3,885
International News Safety Institute		388	999
International Freedom of Expression Exchange (IFEX)	All sections	2,244	3,145
Union Network International - MEI	Entertainment Crew and Sport	10,514	10,039
<b>Professional and Policy</b>			
Australian Copyright Council		1,909	1,818
Australian Press Council		90,000	50,000
Chamber of Arts and Culture WA		200	100
National Press Club		-	273

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 3: SURPLUS FROM ORDINARY ACTIVITIES (CONT.)

	2013 \$	2012 \$
<b>(b) Affiliation fees (cont.)</b>		
<b>Membership Services</b>		
Community, Sporting & Workers	134	272
APESMA - Member Advantage Program	47,770	
Shop Rite Enterprises	864	450
The Union Shopper Inc.	4,565	3,006
<b>Total</b>	<b>379,285</b>	<b>275,415</b>

## NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

### (a) Key Management Personnel

Names and positions held of key management personnel in office at any time during the financial year are:

Key Management Personnel	Position
Christopher Warren	Federal Secretary

### (b) Key Management Personnel Compensation

	Position	Salary \$	Superannuation \$	Termination benefits \$	Total \$
C Warren	Federal Secretary	144,222	25,000	-	169,222
All Other KMP		-	-	-	-
<b>Total 2013</b>		<b>144,222</b>	<b>25,000</b>	<b>-</b>	<b>169,222</b>
<b>Total 2012</b>		<b>159,575</b>	<b>63,156</b>	<b>177,691</b>	<b>438,222</b>

Total Key Management Personnel Compensation for 2012 includes the remuneration of Simon Whipp and Mark Ryan.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION (CONT.)

### (b) Key Management Personnel Compensation (Cont.)

#### *Federal Management Committee*

Each of the following persons were members of the Federal Management Committee during the year:

Name	Position
C Warren	Federal Secretary
P Amphlett	Federal President
S Burke	Federal President (Actors Equity)
S Collins	Federal President (Musicians)
J West	Federal President (ATAEA)
S Washington (from 10 <sup>th</sup> September 2012)	Federal President (Media)
C Grant (from 29 <sup>th</sup> April 2013)	Federal Vice-President
J Holmes (from 29 <sup>th</sup> April 2013)	Federal Vice-President
M Main (from 31 <sup>st</sup> October 2012)	Federal Vice-President
G McColl (from 31 <sup>st</sup> October 2012)	Federal Vice-President
P McDonald (from 29 <sup>th</sup> April 2013)	Federal Vice-President
M Butel (from 31 <sup>st</sup> October 2012 to 28 <sup>th</sup> April 2013)	Federal Vice President

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

C Warren's remuneration is included in Note 4(b) above. All other members of the Federal Management Committee and some honorary officers are entitled to receive an honorarium.

Position	Honorarium \$	Number
Federal President	4,000	1
Section Presidents	2,000	4
Federal Vice Presidents	700	3 (5 from 29 April 2013)
Branch Presidents	1,300	8
Honorary Branch Secretaries	1,300	2 (QLD lapsed 29 April 2013)

Total honoraria for the year to 30 June 2013 was \$26,464 (2012: \$35,099).

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION (CONT.)

### (b) Key Management Personnel Compensation (Cont.)

#### Board fees

Fees paid to Alliance employees (including employed officers) for sitting on boards or committee are remitted to the Alliance. Specifically, the federal secretary is one of the two board members nominated to the board of Media Super (Our other nominee is not employed by the union) and the Victoria branch secretary, Louise Connor, is nominated as an alternate. All fees received on behalf of Mr Warren and Ms Connor, which are general board fees and sitting fees, are paid directly to the Alliance. The policy of Media Super is to set board fees each year at the level of the bottom 10 per cent of industry funds. In the year to 30 June 2013, these fees were \$36,245 (inc. GST) (2012: \$17,000) on behalf of the federal secretary.

#### Other Elected Officials Compensation

Details of the remuneration of the elected officials of the Alliance are is out in the following table.

Name	Position	Salary \$	Superannuation \$	Termination benefits \$	Total \$
M White	ACT Branch Secretary	64,683	24,999	-	89,682
L Connor	VIC Branch Secretary	117,045	14,564	-	131,609
A Ivanica	SA Branch Secretary	105,311	11,820	-	117,131
M Strom	NSW Branch Secretary	101,952	10,195	-	112,147
J Worthington	NSW Branch Vice- President (Media)	21,726	2,343	-	24,069
C Page	SA Branch Vice- President (until 23 April 2013)	6,462	646	-	7,108
<b>Total 2013</b>		<b>408,363</b>	<b>66,011</b>	<b>-</b>	<b>483,190</b>

\*Honorary officers temporarily seconded to employment with the Alliance

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 5: CASH AND CASH EQUIVALENTS

	2013	2012
	\$	\$
Cash on hand	5,662	10,446
Cash at bank	4,584,255	4,718,935
<b>Total cash and cash equivalents</b>	<b>4,589,917</b>	<b>4,729,381</b>

## NOTE 6: TRADE AND OTHER RECEIVABLES

	2013	2012
	\$	\$
<b>CURRENT</b>		
Membership debtors	63,868	75,344
Other receivables (a)	747,842	769,368
<b>Total trade and other receivables</b>	<b>811,710</b>	<b>844,712</b>
<b>(a) Related receivables</b>		
Included in other receivables is an amount owed from The Equity Trust.	189,794	318,324

No receivables with another reporting unit were present as at 30 June 2013 (2012 - \$Nil)

## NOTE 7: OTHER ASSETS

	2013	2012
	\$	\$
<b>CURRENT</b>		
Prepayments	280,891	199,422
Deposits refundable	1,962	1,962
Payroll clearing account	1,021	2,660
<b>Total other assets</b>	<b>283,874</b>	<b>204,044</b>

## NOTE 8: FINANCIAL ASSETS

	2013	2012
	\$	\$
Available-for-sale Financial Assets comprise:		
Listed investments		
- shares - at fair value	1,037	1,037
- shares in listed trusts - at fair value	17,571	15,143
<b>Total available-for-sale financial assets</b>	<b>18,608</b>	<b>16,180</b>

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 9: PROPERTY, EQUIPMENT AND VEHICLES

	2013 \$	2012 \$
<b>LAND AND BUILDINGS</b>		
<b>Sydney</b>		
- At cost	4,913,802	4,913,802
- Less accumulated depreciation	(2,029,239)	(1,919,894)
	<u>2,884,563</u>	<u>2,993,908</u>
<b>Brisbane</b>		
- At cost	139,340	-
- Less accumulated depreciation	(8,399)	-
	<u>130,941</u>	<u>-</u>
<b>Adelaide</b>		
- At cost	204,628	204,628
- Less accumulated depreciation	(97,374)	(92,258)
	<u>107,254</u>	<u>112,370</u>
<b>Melbourne</b>		
- At cost	1,695,936	1,657,656
- Less accumulated depreciation	(270,980)	(229,100)
	<u>1,424,956</u>	<u>1,428,556</u>
<b>EQUIPMENT AND VEHICLES</b>		
- At cost	1,556,882	1,540,725
- Less accumulated depreciation	(1,478,850)	(1,382,667)
	<u>78,032</u>	<u>158,058</u>
<b>Total property, equipment and vehicles</b>	<u><u>4,625,746</u></u>	<u><u>4,692,892</u></u>



# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 9: PROPERTY, EQUIPMENT AND VEHICLES (CONT.)

### (a) Movements in Carrying Amounts

2013	Land and buildings				Equipment and Motor Vehicle	Total
	Sydney \$	Brisbane \$	Adelaide \$	Melbourne \$	\$	\$
Balance at the beginning of year	2,993,908	-	112,370	1,428,556	158,058	4,692,892
Additions	-	139,340	-	38,280	16,157	193,777
Disposals	-	-	-	-	-	-
Depreciation expense	(109,345)	(8,399)	(5,116)	(41,880)	(96,183)	(260,923)
Carrying amount at the end of year	2,884,563	130,941	107,254	1,424,956	78,032	4,625,746

### (b) Valuations of land and buildings

The Federal Management Committee has reviewed the book value of land and buildings and believes that the market value is substantially in excess of the book value. They have reviewed the assumptions used in each valuation and believe the key assumptions remain valid.

The latest valuation of the Sydney property was performed by Wayne Wotton FAPI on 1 August 2013, when the property was valued at \$3,985,000. The committee therefore believe the carrying value of the land and buildings is less than the fair value less cost to sell at 30 June 2013, and as such no impairment is deemed necessary.

The freehold land and building in Melbourne was independently valued on 15 April 2011 by CB Richard Ellis, when the property was valued at \$1,800,000. The valuation was based on vacant possession "as is". The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties.

The freehold land and building in Adelaide was independently valued on 30 June 2011 by CB Richard Ellis, when the property was valued at \$285,000. The valuation was based on vacant possession "as is". The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties.

### (c) Non-current assets pledged as security

Refer to note 11 for information on non-current assets pledged as security.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 10: TRADE AND OTHER PAYABLES

	2013	2012
	\$	\$
<b>CURRENT</b>		
<i>Unsecured liabilities</i>		
Trade payables	550,642	221,492
Goods and services tax payable	74,573	133,435
Creditors and accruals	260,764	409,373
<b>Total unsecured liabilities</b>	<b>885,979</b>	<b>764,300</b>
<b>(a) Included in creditors and accruals are the following:</b>		
Legal fees	62,755	67,530
Consideration to employers for payroll deductions	4,482	5,039
Employee benefits to Office holders and staff	2,418	1,363
<b>Total</b>	<b>69,655</b>	<b>73,932</b>

### (b) Amounts not expected to be settled within the next 12 months

There are no amounts not expected to be settled within the next 12 months.

No payables with another reporting unit were present as at 30 June 2013 (2012 - \$Nil).

## NOTE 11: BORROWINGS

	2013	2012
	\$	\$
<b>CURRENT</b>		
<b>Secured liabilities</b>		
Bank loans	591,173	1,091,173
<b>(a) Bank loans</b>		
On 30 July 2012, the Alliance repaid \$500k in principal borrowings and renegotiated the ongoing facility to 31 October 2013. The facility limit was \$1.6m.		
<b>(b) Assets pledged as security</b>		
The Bank has a fixed charge over all land and buildings owned by the Alliance in Sydney.		
The carrying amounts of non-current assets pledged as security are:		
First mortgage over freehold land and buildings	2,884,563	2,993,908

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 12: PROVISIONS

	2013	2012
	\$	\$
Employee provisions are split between office holders and other employees as follows:		
<b>Employee Provisions - Office Holders:</b>		
Annual Leave	93,070	92,720
Long Service Leave	131,918	122,240
Separation and Redundancies	57,800	-
Other Provisions	-	-
<b>Subtotal Employee Provisions- Office Holders</b>	<b>282,788</b>	<b>214,960</b>
<b>Employee Provisions - Staff:</b>		
Annual Leave	473,212	411,730
Long Service Leave	317,065	327,660
Separation and Redundancies	-	-
Other Provisions	(1,958)	14,750
<b>Subtotal Employee Provisions - Staff</b>	<b>788,319</b>	<b>754,140</b>
<b>Total Employee Provisions</b>	<b>1,071,106</b>	<b>969,100</b>
Current	929,087	938,650
Non-Current	142,019	30,450
<b>Total Employee Provisions</b>	<b>1,071,106</b>	<b>969,100</b>

## NOTE 13: OTHER LIABILITIES

	2013	2012
	\$	\$
<b>CURRENT</b>		
Deferred membership income	-	29,542
Deferred other income	566,555	467,658
Alliance Safety & Solidarity Appeal Fund	546,853	313,613
Other current liabilities	26,533	34,664
<b>Total other liabilities</b>	<b>1,139,941</b>	<b>845,477</b>

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 13: OTHER LIABILITIES (CONT.)

### (a) Alliance Safety & Solidarity Appeal Fund

Deferred other income includes funds raised and expended by the Alliance Safety & Solidarity Appeal Fund.

The following is the movement in the Alliance Safety & Solidarity Appeal Fund:

	2013	2012
	\$	\$
Balance as at 1 July	313,613	386,986
Funds raised during the year	369,834	36,962
Payments made during the year	(136,594)	(110,335)
Balance as at 30 June	546,853	313,613

These funds are invested in a separate bank account.

## NOTE 14: CASH FLOW INFORMATION

	2013	2012
	\$	\$
Reconciliation of cash flow from operations with surplus after income tax expense		
Net (loss) / surplus for the year after income tax expense	(175,503)	477,625
Non-cash flows in profit from ordinary activities:		
Depreciation	260,923	221,393
Increase in fair value of available-for-sale financial assets	(2,428)	-
Changes in assets and liabilities		
Increase in trade and other receivables	(46,828)	(341,126)
Increase in trade and other payables	416,143	67,010
Increase/(decrease) in provisions	102,006	(150,422)
Net Cash provided by operating activities	554,313	274,480

There were no cash flows to or from other reporting units and/or controlled entities during the year to 30 June 2013 (2012- \$Nil).

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 15: RESERVES

### (a) Stability Reserve

The Stability Reserve was set up to advance the working capital of the Alliance and has been invested in bank accounts.

### (b) Equity Foundation Reserve

The Equity Foundation Reserve has been set up to advance the interests of the Equity Foundation.

### (c) Symphony Orchestra Musicians' Association (SOMA)

The SOMA Reserve has been set up to advance the interests of orchestral musicians.

### (d) Walkley Foundation Reserve

The Walkley Awards Reserve has been set up to advance the interests of the Walkley Foundation.

### (e) Campaign Reserve

The Campaign Reserve has been set up to advance the interests of the members.

### (f) Special Projects Reserve

The Special Projects Reserve was set up to advance the interests of the Alliance.

### (g) Fighting Fund Reserve

The Fighting Fund Reserve was set up to assist members undertaking action in support of Alliance objectives or other related activities in support of Alliance objectives.

	2013	2012
	\$	\$
Analysis of transfer to Fighting Fund Reserve		
Interest received on Stability and Fighting Fund bank account balances	-	69,576
Fighting Fund donations received during the year	351	8,235
Fighting Fund donations paid during the year	(1,213)	(436)
Net transfer to reserve	<u>(862)</u>	<u>77,375</u>

### (h) Special Leave Reserve

The Special Leave Reserve was set up to provide for unforeseen staff contingencies.

### (i) Property and Mortgage Reserve

The Property and Mortgage Reserve was set up to provide for unforeseen costs or obligations regarding the Alliance properties and mortgage bills.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 16 CAPITAL AND LEASING COMMITMENTS

	2013	2012
	\$	\$
<b>(a) Operating Lease Commitments - as lessee</b>		
Future minimum rentals payable under non-cancellable operating leases as at 30 June 13 are as follows:		
Payable - minimum lease payments		
- not later than 12 months	206,653	113,214
- between 12 months and 5 years	584,974	208,560
<b>Total operating lease commitments - as lessee</b>	<b>791,627</b>	<b>321,774</b>

On 1 September 2012, a new 5 year operating lease for the Brisbane office was entered into which will expire on 31 August 2017. The annual rental charge on this property is \$149,660.

### (b) Operating Lease Commitments - as lessor

Leases are for property rental in Sydney and Melbourne that are on a month to month basis with no provision for any fixed increases.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June 13 are as follows

Receivable - minimum lease payments

- not later than 12 months

**Total operating lease commitments - as lessor**

168,275	98,493
<b>168,275</b>	<b>98,493</b>

### (c) Capital Expenditure Commitments

There are no material capital expenditure commitments as at 30 June 2013 (2012 : nil).

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 17: FINANCIAL RISK MANAGEMENT

	Note	2013 \$	2012 \$
<b>Financial assets</b>			
Cash and cash equivalents	5	4,589,917	4,729,381
Loans and receivables	6	811,710	844,712
Available-for-sale financial assets	8	18,608	16,180
<b>Total financial assets</b>		<b>5,420,235</b>	<b>5,590,273</b>
<b>Financial liabilities</b>			
<b>Financial liabilities at amortised cost:</b>			
- trade and other payables	10	885,979	764,300
- Borrowings	11	591,173	1,091,173
<b>Total financial liabilities</b>		<b>1,477,152</b>	<b>1,855,473</b>

The Alliance's activities expose it to a variety of financial and market risks (including price risk, credit risk, interest rate risk and liquidity risk). The Alliance's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of The Alliance.

The Alliance's financial instruments consist of cash and cash equivalents, trade and other receivables, available-for-sale financial assets and trade and other payables and borrowings.

MEAA does not have any derivative financial instruments at 30 June 2013.

### *i) Market risk*

The Alliance is exposed to equity securities price risk. This arises from investments held by the Alliance and classified on the statement of financial position as available-for-sale financial assets.

Market risk associated with investments is overseen by the Federal Management Committee under policies approved by them.

The Federal Management Committee monitors the performance of all investments and determines the investment strategy and the selection or disposal of individual investments.

The value of available-for-sale investments held at 30 June 2013 totals \$18,608 (2012-\$16,180) - refer to note 8.

### *ii) Credit risk*

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation, resulting in the Alliance incurring a financial loss. Credit risk arises from cash and cash equivalents (e.g. deposits held with banks and financial institutions) and trade and other receivables. The credit risk on financial assets of the Alliance which have been recognised in the statement of financial position are generally the carrying amount of trade and other receivables, net of any provision for impairment. There is no concentration of credit risk with respect to current and non-current receivables as the Alliance has a large number of sponsorship and membership receivables which spreads the potential risk of impairment. To mitigate the credit risk associated with balances of cash and cash equivalents held with banks and financial institutions, the Federal Management Committee have established a policy that these can only be held with AAA rated entities.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 17: FINANCIAL RISK MANAGEMENT (CONT.)

### iii) Credit risk (Cont.)

The value of trade and other receivables at 30 June 2013 totals \$811,710 (2012- \$844,712) - refer to note 6. The value of cash and cash equivalents at 30 June 2013 totals \$4,589,917 (2012- \$4,729,381) - refer to note 5.

### iv) Foreign currency risk

The Alliance is exposed to foreign currency risk arising from cash or cash equivalents held in foreign currency. The value of the foreign currency balances held at 30 June 2013 totals \$306,155 (2012: \$253,486) - refer to note 5. To manage the foreign exchange risk we avoid holding excess amounts of foreign currency.

#### Sensitivity analysis to foreign currency rates

The Alliance has performed a sensitivity analysis relating to its exposure to foreign currency risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in the foreign currency rates, with all other variables held constant.

	2013 \$	2012 \$
Change in surplus:		
Strengthening/weakening in Australia Dollar by 5%	3,287	2,911
Change in equity:		
Strengthening/weakening in Australia Dollar by 5%	3,287	2,911

### v) Interest rate risk

The Alliance is exposed to interest rate risk. This arises from cash and deposits held with financial institutions. The value of cash and cash equivalents at 30 June 2013 totals \$4,589,917 (2012- \$4,729,381) - refer to note 5. The Alliance also has bank borrowings of \$591,173 (2012- \$1,091,173)- refer to note 11.

#### Sensitivity analysis to interest rates

The Alliance has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in these risks, with all other variables held constant.

	2013 \$	2012 \$
Change in surplus:		
Strengthening/weakening in interest rate by 5%	15,602	19,809
Change in equity:		
Strengthening/weakening in interest rate by 5%	15,602	19,809



# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 17: FINANCIAL RISK MANAGEMENT (CONT.)

### vi) *Liquidity risk*

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Alliance manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The following financing facilities were available to the group at the end of the reporting period:

	2013	2012
	\$	\$
Bank loans		
Total facilities:		
Used at the end of the reporting period	591,173	1,091,173
Unused at the end of the reporting period	1,008,827	-
	<u>1,600,000</u>	<u>1,091,173</u>

The bank loan facility may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facility may be drawn at any time and have an average maturity of 3 months (2012- 3 months).

### *Remaining contractual maturities*

The Alliance's remaining contractual maturities for its financial instrument assets and liabilities are all classified as 1 year or less.

### **Net fair values**

Net fair values of listed investments, classified as available for sale financial assets, have been valued at the quoted market bid price at balance date. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and the notes to the financial statements.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 18: SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

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

Information to be provided to members or the General Manager of Fair Work Australia:

- (1) A member of a reporting unit, or the General Manager of Fair Work Australia, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

## NOTE 19: MONIES HELD IN TRUST

At year end the Alliance was holding in Equity Trust an amount of \$5,110,050 (2012: \$5,769,476). This amount and the corresponding liability are not reflected in the statement of comprehensive income or the statement of financial position of the Alliance. These amounts are not consolidated as part of the Alliance financial statements under Australian Accounting Standards as these funds are not directly controlled by the Alliance. The monies received on behalf of the performers are held in Trust prior to the quarterly distribution.

### Residuals

The Equity Trust is responsible for distributing residual fees (residuals), which are fees paid by distributors to the performers concerned. They are sometimes referred to as “royalties”, “repeats” or “second usage fees”. These fees are negotiated by the Alliance and paid to qualifying performers who work on film or TV productions, after the initial use or exploitation of these productions.

The Equity Trust collects these fees on behalf of the performers and then calculates the residuals for each of them. These calculations are reviewed by the Alliance’s external auditors, prior to paying performers each quarter. On occasion, there are discrepancies relating to performers entitlement to residuals or the attributed portion and these need to be resolved before payments are made.

All residual fees received are banked in accounts specifically designated as trust accounts.

The Equity Trust monitors exploitation or sales which may trigger residuals and contacts the producer and distributor when money is due from them. Producers and distributors are required to provide regular reports on all income they have received and residuals owing.

The Equity Trust aims to pay out all residuals received, but some performers are difficult to trace.

The Alliance Rules provide for the use of those amounts that are not able to be distributed within six years of being received by the Association; they may be applied by the Alliance for the interests of the general class of people for whom the money was received, that is, performers. If, after six years, if any member can assert a right to any money received, the Alliance shall make good that money. Any net interest or related earnings for the interests can also be applied to the interests of performers.

### Superannuation contributions

Equity Trust also negotiates monitors and collects superannuation contributions on behalf of Australian performers working overseas and forwards their entitlement to the appropriate superannuation fund.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 19: MONIES HELD IN TRUST (CONT.)

### Bonds

To safeguard the wages of performers and crew working on productions, Equity may require a bond to be lodged by the producer. In such cases, Equity Trust releases the bond after the production has provided a certificate from its accountants, certifying that all performers' and crews' wages, including superannuation and annual leave, have been paid.

Assets and liabilities of the Equity Trust not recorded in the financial statements of the Alliance were:

	2013	2012
	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	5,110,050	5,769,476
<b>Total current assets</b>	<b>5,110,050</b>	<b>5,769,476</b>
<b>Current liabilities</b>		
Bonds received and owing	44,857	43,500
Owed to cast members	4,829,426	5,361,753
Owed to Alliance (refer to note 6(a))	189,867	318,323
Provision	45,900	45,900
<b>Total current liabilities</b>	<b>5,110,050</b>	<b>5,769,476</b>

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 19: MONIES HELD IN TRUST (CONT.)

	2013 \$	No of Performers	2012 \$	No of performers
Total owed to cast members at 1 July	5,361,753		4,680,405	
Prior period adjustment	18,509		-	
<b>Revised total owed to cast members at 1 July</b>	<b>5,380,262</b>		<b>4,680,405</b>	
<b>Monies received in the year</b>				
Residuals, claims and super received	4,820,221	10,338	5,660,123	5,635
<b>Monies paid in the year</b>				
Residuals, claims and super paid to performers	(4,478,099)	5,094	(4,011,984)	2,219
<b>Payments made on behalf of performers to the Alliance:</b>				
- Residual Fees deducted from residuals on behalf of members of which \$236,062 was paid including GST of \$21,460 to the Alliance as Member Income (2012 \$197,054 which includes GST of \$17,914)	(166,223)		(197,054)	
- Outstanding union subscriptions deducted from residuals on behalf of members and paid to the Alliance as member income (current)	(162,733)		(105,478)	
- Outstanding union subscriptions deducted from residuals on behalf of members and paid to the Alliance as member income (non current)	(7,689)		(87,583)	
- Administration fees deducted from residuals on behalf of non-members of which \$262,543 including GST of \$23,867 to the Alliance Equity Trust (2012 \$190,004 including GST of \$17,273)	(223,169)		(190,004)	
<b>Amounts paid to the Alliance Equity Trust:</b>				
- Interest Members Equity	(41,717)		(16,672)	
- Portion of amounts not able to be distributed within six years transferred to the Alliance Equity Foundation for the interests of performers	(291,427)		(370,000)	
<b>Total owed to cast members at 30 June</b>	<b>4,829,426</b>		<b>5,361,753</b>	
<i>The total owed to cast members at 30 June 12 includes undistributable amounts that are over six years old</i>	1,397,539		1,473,151	
<b>Interest received on recovered monies</b>				
- Interest received on Equity Trust bank accounts, of which \$166,359 (2012 \$293,523) was transferred to the Alliance Equity Trust	207,281		264,958	
<b>Costs of administration (these have been accounted for in Alliance operations)</b>	-		-	

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 20: WALKLEY FOUNDATION

Subsequent to the year end, the Walkley Foundation was incorporated as a not for profit company limited by guarantee. From this point onwards the assets, liabilities and reserves belonging to the Walkley Foundation will be managed by the board of the committee which consists of the nationally elected officers of the Media Section, the Chair of the Walkley Advisory Board and up to two further directors.

At the time of incorporation the directors are Media President Stuart Washington, Federal Vice-President Gina McColl, Federal Vice-President Philippa McDonald, Federal Secretary Christopher Warren, Walkley Chair Laurie Oakes and former Chair Quentin Dempster.

Assets, liabilities and reserves of the Walkley Foundation recorded in the financial statements of the Alliance were:

	2013
	\$
<b>Current assets</b>	
Cash and cash equivalents	994,903
Trade and other receivables	76,138
<b>Total current assets</b>	<u>1,071,041</u>
<b>Current liabilities</b>	
Trade and other payables	533,215
Provisions	165,622
<b>Total current liabilities</b>	<u>698,837</u>
<b>Net Current Assets</b>	<u>372,204</u>
<b>Equity</b>	
Reserves	372,204
<b>Total Equity</b>	<u>372,204</u>

The result for the year to 30 June 2013 in respect of the Walkley Foundation was \$55,955.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 20: WALKLEY FOUNDATION (CONT)

### Walkley Foundation Key Management Personnel Compensation

Subsequent to the year end, the Walkley Foundation was incorporated as a not for profit company limited by guarantee. As such, the remuneration of the Walkley Foundation director, J Park, has been disclosed below given that the Walkley Foundation is a related party of the Alliance post year end.

Name	Position	Salary \$	Superannuation \$	Termination benefits \$	Other benefits \$	Total \$
J Park	Walkley Foundation director	██████	██████	-	██████	██████
Total 2013		██████	██████	-	██████	██████

Note that 'other benefits' represents grossed up salary sacrifice amounts received by staff as part of their remuneration package.

## NOTE 21: EVENTS AFTER THE REPORTING DATE

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

The financial statements were authorised for issue on 23 October 2013 by the Federal Management Committee.

## NOTE 22: RELATED PARTY TRANSACTIONS

In accordance with AASB 124 there are no related party transactions as at the 30th of June 2013. (2012: nil).

## NOTE 23: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets as at 30 June 2013 (2012: nil).

## NOTE 24: COMPANY DETAILS

The registered office and principal place of business of the Alliance is:

245 Chalmers Street, Redfern NSW 2016.

## NOTE 25: BUSINESS COMBINATIONS

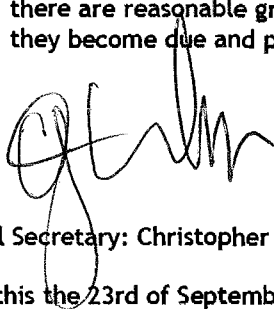
No assets or liabilities were acquired due to amalgamation or restructure during the year (2012 - \$Nil) or as part of a business combination (2012 - \$Nil).

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Federal Secretary's Declaration

### In the Federal Secretary's opinion:

- the attached financial statements and notes thereto comply with the Australian Accounting Standards, other mandatory professional reporting requirements and the Fair Work (Registered Organisations) Act 2009;
- the attached financial statements and notes thereto give a true and fair view of the Alliance's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Alliance will be able to pay its debts as and when they become due and payable



Federal Secretary: Christopher Warren

Dated this the 23rd of September 2014



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www.bdo.com.au

Level 11, 1 Margaret St  
Sydney NSW 2000

Australia

## INDEPENDENT AUDITOR'S REPORT

To the members of Media Entertainment Arts & Alliance

### Report on the Financial Report

We have audited the accompanying financial report of Media, Entertainment & Arts Alliance, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Federal Secretary's declaration.

#### Federal Secretary's Responsibility for the Financial Report

The Federal Secretary is responsible for the preparation of the financial report that gives a true and fair view and has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Fair Work (Registered Organisation) Act 2009* and is appropriate to meet the needs of the members.

The Federal Secretary's responsibility also includes such internal control as the Federal Secretary determines is necessary to enable the preparation of a financial report that gives a true and fair view and 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 about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

#### Independence

In conducting our audit, we have complied with the independence requirements of the *Fair Work (Registered Organisation) Act 2009*. We confirm that the independence declaration required, which has been given to the Federal Secretary of Media Entertainment Arts & Alliance, would be in the same terms if given to the Federal Management Committee members as at the time of this auditor's report.





## Opinion

In our opinion:

- (a) the general purpose financial report of Media, Entertainment & Arts Alliance is in accordance with the *Fair Work (Registered Organisation) Act 2009*, including:
  - (i) presents fairly the entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards to the extent described in Note 1, and the *Fair Work (Registered Organisation) Act 2009*.
- (b) management's use of the going concern basis of accounting in the preparation of the financial report of Media, Entertainment & Arts Alliance is appropriate.
- (c) in relation to recovery of wages activity reported in Note 19:
  - (i) the scope of the audit encompassed recovery of wages activity;
  - (ii) the financial statements and notes report properly and fairly all information required by the reporting guidelines of the General Manager, including:
    - (1) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
    - (2) any donations or other contributions deducted from recovered money.

## Auditor's qualification

We confirm that Grant Saxon:

- (a) is an approved auditor;
- (b) is a person who is a member of The Institute of Chartered Accountants in Australia; and
- (c) holds a current Public Practice Certificate.

## BDO East Coast Partnership

Grant Saxon  
Partner

Sydney, 23 September 2014



media, entertainment & arts alliance  
the people who inform and entertain

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Ms Joanne Fenwick  
Financial Reporting Specialist  
Regulatory Compliance Branch  
Fair Work Commission

16 September 2014

By email: [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au)

Dear Ms Fenwick,

**Revised MEAA Financial Report for Year Ended 30 June 2013**

Please find attached the MEAA's revised financial report for the 2012-2013 financial year. We believe this report conforms to the requirements of the *Fair Work (Registered Organisations) Act 2009* and related reporting guidelines.

As previously agreed, the MEAA will publish information not included in its originally submitted 2012-2013 financial report as an Addendum to its 2013-2014 financial report. This information will, in turn, be provided to all members by the end of November, 2014.

In accordance with our letter of 18 June 2014, please find enclosed a copy of the Commission's read receipt for the submission of the MEAA's original 2012-2013 financial report.

Please do not hesitate to contact the MEAA if you have any further comments or questions on this matter.

Yours sincerely,

Christopher Warren  
Federal Secretary

**MEDIA, ENTERTAINMENT & ARTS  
ALLIANCE**

Financial Statements for the year  
ended 30 June 2013

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# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## ELECTED OFFICERS' REPORT 30 JUNE 2013

The elected officers present their report, together with the financial statements, on the Media, Entertainment and Arts Alliance ("Alliance") for the year ended 30 June 2013.

### Elected Employed Officers

The following person was an elected employed officer of the Alliance and member of the Federal Management Committee during the whole of the financial year and up to the date of this report, unless otherwise stated:

Christopher Warren

### Federal Management Committee members

The following persons were committee members of the Alliance during the whole of the financial year and up to the date of this report, unless otherwise stated:

Patricia Amphlett  
Simon Burke  
Simon Collins  
Christopher Warren  
John West  
Gina McColl  
Philippa McDonald (29 April 2013)  
Corinne Grant (29 April 2013)  
Jacob Holmes (29 April 2013)  
Monica Main (29 April 2013)  
Stuart Washington (21 May 2013)

### Planning and Strategy for achieving objectives

To achieve our short and long term objectives there are five key strategic directions in place 1. Organise to Grow 2. Your rights at work 3. Build Better Benefits and Extended Services 4. Shape our industries through communications and campaigns 5. Be Part of Something Bigger

### Salary Scales

Salary scales of all staff including officers fell into the following bands:

	Number Employed	
	2011-2012	2012-2013
Under \$20,000	5	3
\$20,000-\$30,000	0	0
\$30,000-\$40,000	5	4
\$40,000-\$50,000	10	9
\$50,000-\$60,000	14	13
\$60,000-\$70,000	10	7
\$70,000-\$80,000	9	11
\$80,000-\$90,000	8	9
\$90,000-\$100,000	6	6
\$100,000-\$110,000	4	8
\$110,000-\$120,000	2	1
\$120,000-\$130,000	5	5
\$130,000-\$140,000	2	1
Over \$140,000	1	1
<b>Total</b>	<b>81</b>	<b>78</b>

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## ELECTED OFFICERS' REPORT 30 JUNE 2013 (CONT.)

### Meetings of MEAA Management Committee

The number of meetings attended by members of the Media, Entertainment and Arts Alliance's Management Committee during the year ended 30 June 2013 were:

Name	Attended	Eligible
Patricia Amphlett	11	11
Stuart Washington	7	8
Simon Burke	5	10
John West	10	11
Simon Collins	9	11
Mitchell Butel	4	6
Monica Main	3	7
Gina McColl	6	10
Corinne Grant	1	3
Jacob Holmes	2	3
Philippa McDonald	2	3
Christopher Warren	11	11

### Financial Report

Income decline as a result of job losses in the media section saw MEAA turn in a loss for the 2012-2013 financial year, although action to rein in costs reduced the impact of the income decline.

Despite the annual increase in fees, income from membership fees dropped by 3 per cent or about \$244,000 on the previous year, to about \$8,463,000. The income falls hit the Media section and the Equity section where income fell as a result of a decline in fees from foreign artists and fees paid on residual payments. Income from the Entertainment, Crew & Sport section was up marginally, reflecting a strong focus on organising and recruitment in the section.

This current financial year is expected to be one of transition as job losses continue to feed into MEAA income. As a result, the reserves we have been able to build out of our repeated surpluses of the past few years will be necessary to sustain the union through the current transition.

The Walkley Foundation again delivered a surplus about \$56,000 of on a turnover of \$1,729,000. The Walkley surplus is consolidated in the Walkley reserve. After the end of the financial year, the Media National Section Committee decided to establish the Walkleys as a not-for-profit company limited by guarantee. As a result, a balance sheet for the Walkleys has been included in the MEAA accounts, although the assets and liabilities remain consolidated in the MEAA balance sheet.

The fall in residual payments resulted in a fall in administration fees. The fall in interest fees also resulted in reduced interest income for the Equity Trust. These two sources fund the operation of the trust and, as a result, the trust made a loss which was funded from the Equity Foundation. The resulting loss by the Equity Foundation was funded by drawing down on the Equity Foundation reserve.

Staff remained the major cost for MEAA. At the end of the financial year, the MEAA employed 78 staff either full-time or part-time, down from 81 at the beginning of the year. Full-time equivalent staff was up about 74.9 at June 30, up from 67.6 over the 12 months. The increase was due to most previously vacant positions being filled.

Staff costs, however, were up as higher usual staff turnover during the previous financial year had meant savings through vacancies. Reduced turnover this year meant fewer positions were vacant for any period of time.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## ELECTED OFFICERS' REPORT 30 JUNE 2013 (CONT.)

### Financial Report (Cont.)

To sustain the union, this figure will reduce to 71.7 by the end of 2013 and, in necessary, 67.6 by the end of the 2013-14 financial year. We are also reviewing all non-staff costs including telecommunications, travel, communications and printing with a view to reducing costs to breakeven this financial year and next.

Staff wages (including wages of elected employed officers) were adjusted during the year under a pay agreement that extends to staff rises that reflect the average rises under MEAA-negotiated agreements. This involved a rise of 3 per cent on July 12, 2012 and a rise of 2.75 per cent July 1, 2013.

Staff stability saw provisions for untaken annual leave and long service leave increase to about \$1,071,000. However, this remains covered by the real cash provision set aside for staff entitlements which remains sufficient to cover all entitlements of about \$1.03 million.

The mortgage over MEAA properties was reduced during the year, to \$591,000 underpinned by properties in Sydney, Melbourne and Adelaide with a book value of about \$4.4 million and a commercial valuation of about \$6.1 million.

Out net assets are now about \$6.7 million with a turnover of about \$11.5 million. Our working capital (the difference between current assets and current liabilities) is about \$2.14 million, in line with our goal to have working capital of about 20 per cent of turnover.

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# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## ELECTED OFFICERS' REPORT 30 JUNE 2013 (CONT.)

### Financial Report (Cont.)

Details of budget 2013-2014 and Actuals for the previous nine years:

	2013-2014 budget \$	Actual								
		2012-2013 \$	2011-2012 \$	2010-2011 \$	2009-2010 \$	2008-2009 \$	2007-2008 \$	2006-2007 \$	2005-2006 \$	2004-2005 \$
<b>Total Income</b>	11,508,500	11,725,084	11,915,332	10,991,779	10,480,906	11,039,723	10,706,162	9,913,677	9,010,401	7,655,953
<b>Total Costs</b>	(11,399,800)	(11,900,586)	(11,437,707)	(10,226,481)	(9,143,369)	(10,230,635)	(9,931,254)	(9,470,269)	(8,753,424)	(7,394,694)
<b>Surplus</b>	108,700	(175,503)	477,625	765,318	1,337,537	809,088	774,908	443,408	256,977	261,259
<b>Stability Reserve</b>	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,017,514	958,496	725,237
<b>Fighting Fund Reserve</b>	1,400,000	1,365,474	1,365,473	1,288,099	1,024,801	554,617	254,905	-	-	-

### Principal activities

During the financial year the principal continuing activities of the Alliance continued to be a union and profession organisation for creative workers in the media, entertainment, sports and arts industries.

On behalf of the officers

---

Christopher Warren  
Federal Secretary

XX September 2014, Sydney



# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## FEDERAL SECRETARY'S REPORT 30 JUNE 2013

On 25 October 2013 the Committee of Management of the Media, Entertainment & Arts Alliance (the "Alliance") passed the following resolution in relation to the general purpose financial statements (GPFS) of the reporting unit for the financial year ended 30 June 2013:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the 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 reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Alliance will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFS relates and since the end of the year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) the information sought in any request of a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RO Act.
- (f) in relation to recovery of wages activity:
  - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of General Manager; and
  - (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
  - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## FEDERAL SECRETARY'S REPORT 30 JUNE 2013 (CONT)

- (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

### Significant change in State of Affairs

There has been no significant change in the Alliance's financial affairs or state of affairs during or since the end of the financial year.

### Board fees

Fees paid to Alliance employees (including employed officers) for sitting on boards or committees are remitted to the union. Specifically in relation to superannuation, we nominate two board members and one alternate board member to our industry fund, Media Super. The federal secretary is one of the two board members and our Victoria branch secretary, Louise Connor, is our alternate. All our fees (general board fees and sitting fees) are paid to the union. The federal secretary's director fee from Media Super for the period 1 July 2012 to 30 June 2013 of \$36,245 was paid to the Alliance. The policy of Media Super is to set board fees each year at the level of the bottom 25 per cent of industry funds to ensure it acts as a low-cost fund. These are published in the fund's annual report.

Our other nominee is not employed by the union and, as the time he spends on superannuation matters is time he cannot earn any other income, his fees are paid directly to him as compensation for time spent representing union members.

No Alliance officers are currently members of any government appointed board that attracts remuneration other than reimbursement of expenses.

### Staff remuneration

Wages and conditions of most Alliance staff are regulated by the staff conditions which are set by negotiation with staff. Our fundamental policy in setting conditions is that they should be no better than those we are able to negotiate for members. Wages are adjusted each year by an average of major negotiated agreements.

Remuneration for staff members is set when they commence employment, based on an assessment of skills and experience. An annual review covers salaries, although staff earning up to about \$60,000 (including administrative staff) have access to annual increments subject to satisfactory performance. Any rises require the approval of the federal secretary. Salaries of staff are reported in the annual report in a banding table that compares salaries on a year-on-year basis.

The conditions and annual wage adjustment process apply equally to all elected officers. The salaries of the employed branch secretaries are set by the federal secretary through the performance review process. The exception to this is the director of the Walkley Foundation. Her salary is reviewed by the chair of the Walkley Board from time to time.

The salary of the federal secretary is set by the Federal Management Committee based on an independent review. This occurred most recently in 2008. This demonstrated that the salary was in line with general salary level within the union movement. We reimburse staff travel expenses at the flat level of \$55 per night away from home, unless a staff member is provided with a meal if, for example, he or she is attending an event.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## FEDERAL SECRETARY'S REPORT 30 JUNE 2013 (CONT)

Names of Committee of Management members and employees and period positions held during the financial year

Name	Position
C Warren	Federal Secretary
P Amphlett	Federal President
S Burke	Federal President (Actors Equity)
S Collins	Federal President (Musicians)
J West	Federal President (ATAEA)
S Washington	Federal President (Media)
C Grant (from 29 <sup>th</sup> April 2013)	Federal Vice-President
J Holmes (from 29 <sup>th</sup> April 2013)	Federal Vice-President
M Main	Federal Vice-President
G McColl	Federal Vice-President
P McDonald (from 29 <sup>th</sup> April 2013)	Federal Vice-President
M Butel (until 29 <sup>th</sup> April 2013)	Equity Delegate to Council

### Events after the reporting Date

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

For Committee of Management: Christopher Warren  
Title of Office held: Federal Secretary

Dated this 8th day of September 2014

**DECLARATION OF INDEPENDENCE BY GRANT SAXON TO THE MEMBERS OF MEDIA ENTERTAINMENT ARTS & ALLIANCE**

As lead auditor of Media Entertainment Arts & Alliance for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Fair Work (Registered Organisation) Act 2009* in relation to the audit; and
2. No contravention of any applicable code of professional conduct in relation to the audit.

**Grant Saxon**

**Partner**

Sydney, 8 September 2014

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# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2013

	Note	2013 \$	2012 \$
<b>REVENUE</b>			
Revenue from ordinary activities	2	11,725,083	11,915,332
<b>EXPENDITURE</b>			
Depreciation and amortisation	3	(260,923)	(221,393)
Finance costs	3	(80,010)	(104,629)
Employee costs	3	(7,550,051)	(6,844,079)
Site costs		(568,735)	(635,538)
Affiliation fees	3	(379,285)	(275,415)
Printing and postage		(180,633)	(192,440)
Telephone		(153,393)	(167,130)
Magazines		(328,000)	(436,012)
Repairs and maintenance		(503,304)	(506,076)
Travel		(299,884)	(320,074)
Events		(891,248)	(1,005,220)
Other expenses from ordinary activities	3	(705,120)	(729,701)
<b>Total direct costs</b>		<b>(11,900,586)</b>	<b>(11,437,707)</b>
<b>(Loss) / surplus before income tax expense</b>		<b>(175,503)</b>	<b>477,625</b>
Income tax expense		-	-
<b>(Loss) / surplus after income tax expense attributable to the members of Media, Entertainment &amp; Arts Alliance</b>		<b>(175,503)</b>	<b>477,625</b>
Other comprehensive income for the year (net of tax)		-	-
<b>Total comprehensive income for the year attributable to the members of Media, Entertainment &amp; Arts Alliance</b>		<b>(175,503)</b>	<b>477,625</b>

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Statement of Financial Position as at 30 June 2013

	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	4,589,917	4,729,381
Trade and other receivables	6	811,710	844,712
Other current assets	7	283,874	204,044
<b>Total current assets</b>		<b>5,685,501</b>	<b>5,778,137</b>
<b>Non-current assets</b>			
Financial assets	8	18,608	16,180
Property, equipment and vehicles	9	4,625,746	4,692,892
<b>Total non-current assets</b>		<b>4,644,354</b>	<b>4,709,072</b>
<b>TOTAL ASSETS</b>		<b>10,329,855</b>	<b>10,487,209</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	885,979	764,300
Short-term borrowings	11	591,173	1,091,173
Short-term provisions	12	929,087	938,650
Other current liabilities	13	1,139,941	845,477
<b>Total current liabilities</b>		<b>3,546,180</b>	<b>3,639,600</b>
<b>Non-current liabilities</b>			
Long-term provisions	12	142,019	30,450
<b>Total non-current liabilities</b>		<b>142,019</b>	<b>30,450</b>
<b>TOTAL LIABILITIES</b>		<b>3,688,199</b>	<b>3,670,050</b>
<b>NET ASSETS</b>		<b>6,641,656</b>	<b>6,817,159</b>
<b>EQUITY</b>			
Reserves		4,244,972	4,620,534
Retained earnings		2,396,684	2,196,625
<b>TOTAL EQUITY</b>		<b>6,641,656</b>	<b>6,817,159</b>

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Statement of Changes in Equity for the year ended 30 June 2013

2013	Stability Reserve	Fighting Fund (strike)	Equity Foundation Reserve	SOMA Reserve	Walkley Foundation Reserve	Campaign Reserve	Special Leave Reserve	Property and Mortgage Reserve	Retained Earnings	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2012	1,000,000	1,365,474	483,964	65,442	316,249	701,453	215,000	472,952	2,196,625	6,817,159
Net (deficit) attributable to members of the entity	-	-	-	-	-	-	-	-	(175,503)	(175,503)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income attributable to the members	-	-	-	-	-	-	-	-	(175,503)	(175,503)
Transfers to and from reserves										
- Fighting Fund	-	(862)	-	-	-	-	-	-	862	-
- Stability Reserve	-	-	-	-	-	-	-	-	-	-
- Equity Foundation Reserve	-	-	(102,143)	-	-	-	-	-	102,143	-
-Special Leave Reserve	-	-	-	-	-	-	85,000	-	(85,000)	-
- SOMA Reserve	-	-	-	59,440	-	-	-	-	(59,440)	-
- Walkley Foundation Reserve	-	-	-	-	55,955	-	-	-	(55,955)	-
- Property and Mortgage Reserve	-	-	-	-	-	-	-	(472,952)	472,952	-
<b>Balance at 30 June 13</b>	<b>1,000,000</b>	<b>1,364,612</b>	<b>381,821</b>	<b>124,882</b>	<b>372,204</b>	<b>701,453</b>	<b>300,000</b>	<b>-</b>	<b>2,396,684</b>	<b>6,641,656</b>
Supported by separate bank account	1,022,010	835,832	112,134	-	112,134	-	-	-	-	2,082,110

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Statement of Changes in Equity for the year ended 30 June 2012

2012	Stability Reserve	Fighting Fund (strike)	Equity Foundation Reserve	SOMA Reserve	Walkley Foundation Reserve	Western Australian Journalists Reserve	Campaign Reserve	Special Leave Reserve	Property and Mortgage Reserve	Retained Earnings	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2011	1,000,000	1,288,099	475,621	52,171	259,814	-	701,453	215,000	150,000	2,197,376	6,339,534
Net surplus attributable to members of the entity	-	-	-	-	-	-	-	-	-	477,625	477,625
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income attributable to the members</b>	-	-	-	-	-	-	-	-	-	477,625	477,625
Transfers to and from reserves											
- Fighting Fund	-	69,576	-	-	-	-	-	-	-	(69,576)	-
- Stability Reserve	-	7,799	-	-	-	-	-	-	-	(7,799)	-
- Equity Foundation Reserve	-	-	8,343	-	-	-	-	-	-	(8,343)	-
- SOMA Reserve	-	-	-	13,271	-	-	-	-	-	(13,271)	-
- Walkley Foundation Reserve	-	-	-	-	56,435	-	-	-	-	(56,435)	-
- Property and Mortgage Reserve	-	-	-	-	-	-	-	-	322,952	(322,952)	-
<b>Balance at 30 June 2012</b>	1,000,000	1,365,474	483,964	65,442	316,249	-	701,453	215,000	472,952	2,196,625	6,817,159
Supported by separate bank account	1,000,000	785,758	107,799	-	107,799	-	-	-	-	-	2,001,356



# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Statement of Cash Flows for the year ended 30 June 2013

	Note	2013 \$	2012 \$
<b>Cash flows from operating activities:</b>			
Receipts from members and sponsors (inclusive of GST)		12,470,461	12,039,891
Payments to suppliers and employees (inclusive of GST)		(12,177,385)	(12,119,522)
Interest received		341,247	458,740
Finance costs		(80,010)	(104,629)
<b>Net cash provided by operating activities</b>	<b>14</b>	<b>554,313</b>	<b>274,480</b>
<b>Cash flows from investing activities:</b>			
Acquisition of property, equipment and vehicles	9	(193,777)	(178,756)
<b>Net cash used in investing activities</b>		<b>(193,777)</b>	<b>(178,756)</b>
<b>Cash flows from financing activities:</b>			
Repayment of borrowings		(500,000)	-
<b>Net cash used in financing activities</b>		<b>(500,000)</b>	<b>-</b>
<b>Net (decrease) / increase in cash held</b>		<b>(139,464)</b>	<b>95,724</b>
Cash and cash equivalents at beginning of year		4,729,381	4,633,657
<b>Cash and cash equivalents at end of financial year</b>	<b>5</b>	<b>4,589,917</b>	<b>4,729,381</b>

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Notes to the Financial Statements for the year ended 30 June 2013

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Media, Entertainment & Arts Alliance (the "Alliance") is an entity created under the *Fair Work (Registered Organisations) Act 2009*, registered and domiciled in Australia.

The financial statements of the Alliance comply with the Australian equivalents to International Financial Reporting Standards (IFRS) as they relate to not-for-profit entities.

#### Adoption of new and revised accounting standards

The enclosed financial report has been prepared in accordance with the requirements of the Australian Accounting Standards and the RO Act including the section 253 Reporting Guidelines issued on 12 June 2014. The report is intended to illustrate the disclosure requirements of the Accounting Standards and the RO Act as required for the preparation of a general purpose financial report under Tier 1—Australian Accounting Standards.

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

Any significant impact on the accounting policies of the Alliance from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Alliance.

The following Accounting Standards and Interpretations are most relevant to the Alliance:

#### *AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income*

The Alliance has applied AASB 2011-9 amendments from 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The amendments also introduced the term 'Statement of profit or loss and other comprehensive income' clarifying that there are two discrete sections, the profit or loss section (or separate statement of profit or loss) and other comprehensive income section.

#### Accounting standards and interpretations issued but not yet effective

Certain new accounting standards, amendments to standards and interpretations have been published that are not mandatory for the 30 June 2013 reporting period. The Alliance's assessment of the impact of these new standards, amendments to standards and interpretations in the period of initial application is set out below.

#### *AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9*

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2015 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The Alliance will adopt this standard from 1 July 2015 but the impact of its adoption is yet to be assessed by the Alliance.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Notes to the Financial Statements for the year ended 30 June 2013

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

*AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13*

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the Alliance from 1 July 2013 should be minimal.

*AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)*

This revised standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments eliminate the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring re-measurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The amendments also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. This will require annual leave that is not expected to be wholly settled within 12 months to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken. The adoption of the revised standard from 1 July 2013 is expected to reduce the reported annual leave liability and increase disclosures of the Alliance.

*AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement*

These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 July 2013 has removed the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements will be included in the Fair Work Act or other legislation, it is expected that the amendments will not have a material impact on the Alliance.

*AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132]*

These amendments are applicable to annual reporting periods beginning on or after 1 January 2013. This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard. The Alliance has adopted this standard from 1 January 2013 but the impact of its adoption is yet to be assessed by the Alliance.

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

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### Basis of Preparation

#### *Reporting Basis and Conventions*

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

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities have been measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

### Accounting Policies

#### (a) Property, Equipment and Vehicles

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

##### **Property**

Freehold land and buildings are measured at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

It is the policy of the Federal Management Committee to obtain a valuation every 3-5 years.

##### **Equipment and Motor Vehicles**

These are measured on the cost basis less depreciation and impairment losses. The carrying value is reviewed annually by the Federal Management Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the depreciated replacement cost of the asset or net cash flows that will be received from the assets' subsequent disposal.

##### **Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Alliance 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:

<i>Buildings</i>	2.5%
<i>Equipment and Motor Vehicles</i>	10-50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

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

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Notes to the Financial Statements for the year ended 30 June 2013

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

#### (b) Impairment of Assets

At the end of each reporting period, the Alliance reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Alliance 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 a class of assets, the Alliance estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

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

#### (c) Financial Instruments

##### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Alliance becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Alliance commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

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

##### Classification and subsequent measurement

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

*Amortised cost* is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and (iv) less any reduction for impairment.

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

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Notes to the Financial Statements for the year ended 30 June 2013

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

#### **Available-for-sale financial assets**

These include any financial assets not included in the above categories. They are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to the Statement of Comprehensive Income.

They are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets. Changes to fair value are taken directly to the Statement of Comprehensive Income.

#### **Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

#### **Fair value**

This is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

#### **Impairment**

At each reporting date, the Alliance assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

#### **Derecognition**

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

#### **(d) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

#### **(e) Employee Benefits**

Provision is made for the Alliance's liability for employee benefits arising from services rendered by employees to the reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Notes to the Financial Statements for the year ended 30 June 2013

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(e) **Employee Benefits (Cont.)**

*Long service leave*

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(f) **Provisions**

These are recognised when the Alliance has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(g) **Revenue**

This is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Grant revenue is recognised in the statement of comprehensive income when it is expended. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the statement of financial position as a liability until such conditions are met or services provided.

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

Membership subscription income has been accounted for on an accruals basis. Membership subscriptions outstanding at the reporting date have been brought to account as receivables where subscriptions are paid by the members' employers through salary deductions. Membership income is deemed earned in the year to which it relates. Membership subscriptions relating to the unexpired part of the membership year are deferred and recognised as income in the next financial year.

Interest revenue is recognised when received. Dividend revenue is recognised when the right to receive a dividend has been established. All revenue is stated net of the amount of goods and services tax (GST).

(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 or the New Zealand Inland Revenue. 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 cashflows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) **Income Tax**

The Alliance is an income tax exempt entity under item 1.7 section 50-5 of the Income Tax Assessment Act 1997.

(j) **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Alliance prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Notes to the Financial Statements for the year ended 30 June 2013

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(k) **Borrowings**

These are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. They are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses. They are classified as current liabilities unless the Alliance has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(l) **Foreign Currency Transactions and Balances**

The financial statements are presented in Australian dollars which is the Alliance's functional and presentation currency and rounded to the nearest dollar.

**Transaction and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

(m) **Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

(n) **Comparative Figures**

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

(o) **Critical accounting estimates and judgments**

The Federal Management Committee evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Alliance.



# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Notes to the Financial Statements for the year ended 30 June 2013

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

#### (o) Critical accounting estimates and judgments (Cont.)

##### *Key estimates - Impairment*

The Alliance assesses impairment at each reporting date by evaluating conditions specific to the Alliance that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. No impairment has been recognised.

#### (p) Going concern

The Alliance agreed to provide International Federation of Journalists- Asia Pacific Office (“IFJ”) with financial support to ensure they could continue on a going concern basis in relation to their financial report for the year ended 31 December 2012. The support was to act as banker, aiding IFJ to meet their short term working capital needs in order to continue to pay its debts as and when they fall due. This was as part of a long standing line of credit which has fluctuated between being in deficit, as in 2012, and sometimes in surplus. As at 30 June 2013 the balance owing to the Alliance from the IFJ was \$103,070. This has been included within Note 6, trade and other receivables.

This agreed financial support was given from 26 July 2013, when the IFJ financial report for the year ended 31 December 2012 was signed, up to 28 April 2014 at which point the financial report for the year ended 31 December 2013 was signed. No further financial support was needed from that point on and as such no guarantee for financial support was given in respect of the financial report for the period ended 31 December 2013. This was an interest free agreement with repayments made when IFJ working capital allows. It is expected that this receivable balance will reduce to \$Nil by the year ending 30 June 2014.

No going concern financial support was received by the Alliance from another reporting unit.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 2: REVENUE

	2013 \$	2012 \$
Operating activities		
- Subscriptions and fees	8,463,359	8,706,984
- Grants, sponsorships and events income	1,887,838	1,751,244
- Interest from financial institutions	341,247	458,740
- Rental income	130,515	98,493
-Capitation fees	-	-
-Levies	9,891	10,600
- Sundry income	892,233	889,271
Total Revenue	<u>11,725,083</u>	<u>11,915,332</u>

The Alliance was not in receipt of any financial support from another reporting unit of the organisation during the year (2012 - \$Nil).

### (a) Levies

The levies disclosed in total above were in respect to monies paid to the following benevolent funds:

ACT journalist benevolent fund	4,231	4,360
SA journalist benevolent fund	1,960	2,245
WA journalist benevolent fund	2,670	2,935
WA entertainment, crew and sport benevolent fund	1,030	1,060
Total Levies	<u>9,891</u>	<u>10,600</u>

## NOTE 3: SURPLUS OR DEFICIT FROM ORDINARY ACTIVITIES

	2013 \$	2012 \$
Surplus or Deficit from ordinary activities has been determined after charging the following expenses:		
Finance costs		
- Financial institutions	80,011	104,629
Depreciation of non-current assets, including equipment and vehicles	96,183	64,309
Amortisation of non-current assets		
- leasehold improvements	164,740	157,084
Total Depreciation	<u>260,923</u>	<u>221,393</u>

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 3: SURPLUS FROM ORDINARY ACTIVITIES (CONT.)

	2013 \$	2012 \$
Legal fees	129,418	86,159
Donations	2,673	19,697
Honoraria	26,464	35,099
Audit fee	39,000	39,000
Other services provided by auditors (Equity Trust quarterly residuals audit, FBT review)	27,500	20,000
Consideration to employers for payroll deductions	4,482	5,039
Capitation fees	-	-
Compulsory levies	-	-
Fees/ allowances - meetings and conferences	-	-
Conference and meeting expenses	198,850	192,041
Penalties - via RO Act or RO Regulations	-	-
Rental expense on operating leases	146,807	107,795
<b>Employee benefits to Office Holders</b>		
- salaries	469,988	366,657
- annual leave	53,515	55,617
- long service leave	5,651	1,332
- redundancies	1,118	239,809
- superannuation	89,722	116,751
- benefits	-	-
- other employee costs	46,455	58,144
<b>Total Employee Benefits to Office Holders</b>	<b>666,449</b>	<b>838,311</b>
<b>Employee benefits to Staff other than Office Holders</b>		
- salaries	4,737,916	4,130,819
- annual leave	436,834	310,291
- long service leave	46,795	24,595
- redundancies	83,403	259,365
- superannuation	587,570	567,755
- benefits	-	-
- other employee costs	991,084	712,943
<b>Total Employee Benefits to Staff other than Office Holders</b>	<b>6,883,602</b>	<b>6,005,768</b>

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 3: SURPLUS FROM ORDINARY ACTIVITIES (CONT.)

		2013 \$	2012 \$
<b>(b) Affiliation fees</b>			
The affiliation fees disclosed in total above were in respect of the following entities:			
<b>Affiliation</b>	<b>Which Members</b>	<b>2013</b>	<b>2012</b>
<b>National</b>			
ACTU	All sections (except media)	43,361	41,603
NZ Council of Trade Unions	All members in New Zealand	1,851	1,282
<b>State and Territories</b>			
Labor of Council NSW	All sections in NSW	22,462	28,923
South Coast Labor Council		460	453
Victorian Trades Hall Council	All sections in Victoria	38,704	36,909
Ballarat Trades Hall		215	52
Queensland Council of Unions	All sections in QLD (except media)	4,951	
South Australia United Trades and Labor Council	All sections in SA (except media)	3,143	4,309
Western Australia Trades and Labor Council	All sections in WA (except media)	6,721	2,999
Unions ACT	All sections	2,086	2,134
Unions Tasmania	All sections in TAS (except media)	543	543
<b>Trade union centres - Other</b>			
APHEDA		964	964
Australia Asia Work Links Inc		182	200
Trade Union committee on aboriginal rights		273	300
<b>Australian Labor Party</b>			
Australian Labor Party (NSW)	All sections in NSW (except media)	15,882	13,451
Australian Labor Party (SA)	All sections in SA (except media)	1,544	1,964
<b>International</b>			
International Federation Of Actors	Equity	26,188	26,539
International Federation of Journalists	Media	47,268	38,803
International Federation of Musicians	SOMA and freelance musicians	3,899	3,885
International News Safety Institute		388	999
International Freedom of Expression Exchange (IFEX)	All sections	2,244	3,145
Union Network International - MEI	Entertainment Crew and Sport	10,514	10,039
<b>Professional and Policy</b>			
Australian Copyright Council		1,909	1,818
Australian Press Council		90,000	50,000
Chamber of Arts and Culture WA		200	100
National Press Club			273

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 3: SURPLUS FROM ORDINARY ACTIVITIES (CONT.)

	2013 \$	2012 \$
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### (b) Affiliation fees (cont.)

#### Membership Services

Community, Sporting & Workers	134	272
APESMA - Member Advantage Program	47,770	
Shop Rite Enterprises	864	450
The Union Shopper Inc.	4,565	3,006
<b>Total</b>	<b>379,285</b>	<b>275,415</b>

## NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

### (a) Key Management Personnel

Names and positions held of key management personnel in office at any time during the financial year are:

Key Management Personnel	Position
Christopher Warren	Federal Secretary

### (b) Key Management Personnel Compensation

	Position	Salary \$	Superannuation \$	Termination benefits \$	Total \$
C Warren	Federal Secretary	144,222	25,000	-	169,222
All Other KMP		-	-	-	-
<b>Total 2013</b>		<b>144,222</b>	<b>25,000</b>	<b>-</b>	<b>169,222</b>
<b>Total 2012</b>		<b>159,575</b>	<b>63,156</b>	<b>177,691</b>	<b>438,222</b>

Total Key Management Personnel Compensation for 2012 includes the remuneration of Simon Whipp and Mark Ryan.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION (CONT.)

### (b) Key Management Personnel Compensation (Cont.)

#### *Federal Management Committee*

Each of the following persons were members of the Federal Management Committee during the year:

Name	Position
C Warren	Federal Secretary
P Amphlett	Federal President
S Burke	Federal President (Actors Equity)
S Collins	Federal President (Musicians)
J West	Federal President (ATAEA)
S Washington	Federal President (Media)
C Grant (29 <sup>th</sup> April 2013)	Federal Vice-President
J Holmes (29 <sup>th</sup> April 2013)	Federal Vice-President
M Main (29 <sup>th</sup> April 2013)	Federal Vice-President
G McColl (29 <sup>th</sup> April 2013)	Federal Vice-President
P McDonald (29 <sup>th</sup> April 2013)	Federal Vice-President
M Butel (29 <sup>th</sup> April 2013)	Equity Delegate to Council

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

C Warren's remuneration is included in Note 4(b) above. All other members of the Federal Management Committee and some honorary officers are entitled to receive an honorarium.

Position	Honorarium \$	Number
Federal President	4,000	1
Section Presidents	2,000	4
Federal Vice Presidents	700	3 (5 from 29 April 2013)
Branch Presidents	1,300	8
Honorary Branch Secretaries	1,300	2 (QLD lapsed 29 April 2013)

Total honoraria for the year to 30 June 2013 was \$26,464 (2012: \$35,099).

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION (CONT.)

### (b) Key Management Personnel Compensation (Cont.)

#### Board fees

Fees paid to Alliance employees (including employed officers) for sitting on boards or committee are remitted to the Alliance. Specifically, the federal secretary is one of the two board members nominated to the board of Media Super (Our other nominee is not employed by the union) and the Victoria branch secretary, Louise Connor, is nominated as an alternate. All fees received on behalf of Mr Warren and Ms Connor, which are general board fees and sitting fees, are paid directly to the Alliance. The policy of Media Super is to set board fees each year at the level of the bottom 10 per cent of industry funds. In the year to 30 June 2013, these fees were \$36,245 (inc. GST) (2012: \$17,000) on behalf of the federal secretary.

#### Other Elected Officials Compensation

Details of the remuneration of the elected officials of the Alliance are set out in the following table.

Name	Position	Salary \$	Superannuation \$	Termination benefits \$	Total \$
M White	ACT Branch Secretary	64,683	24,999	-	89,682
L Connor	VIC Branch Secretary	117,045	14,564	-	131,609
A Ivanica	SA Branch Secretary	105,311	11,820	-	117,131
M Strom	NSW Branch Secretary	101,952	10,195	-	112,147
J Worthington	NSW Branch Vice- President (Media)	21,726	2,343	-	24,069
C Page	SA Branch Vice- President (until 23 April 2013)	6,462	646	-	7,108
<b>Total 2013</b>		<b>408,363</b>	<b>66,011</b>	-	<b>483,190</b>

\*Honorary officers temporarily seconded to employment with the Alliance

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 5: CASH AND CASH EQUIVALENTS

	2013 \$	2012 \$
Cash on hand	5,662	10,446
Cash at bank	4,584,255	4,718,935
<b>Total cash and cash equivalents</b>	<b>4,589,917</b>	<b>4,729,381</b>

## NOTE 6: TRADE AND OTHER RECEIVABLES

	2013 \$	2012 \$
<b>CURRENT</b>		
Membership debtors	63,868	75,344
Other receivables (a)	747,842	769,368
<b>Total trade and other receivables</b>	<b>811,710</b>	<b>844,712</b>

### (a) Related receivables

Included in other receivables is an amount owed from The Equity Trust.	189,794	318,324
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No receivables with another reporting unit were present as at 30 June 2013 (2012 - \$Nil)

## NOTE 7: OTHER ASSETS

	2013 \$	2012 \$
<b>CURRENT</b>		
Prepayments	280,891	199,422
Deposits refundable	1,962	1,962
Payroll clearing account	1,021	2,660
<b>Total other assets</b>	<b>283,874</b>	<b>204,044</b>

## NOTE 8: FINANCIAL ASSETS

	2013 \$	2012 \$
Available-for-sale Financial Assets comprise:		
Listed investments		
- shares - at fair value	1,037	1,037
- shares in listed trusts - at fair value	17,571	15,143
<b>Total available-for-sale financial assets</b>	<b>18,608</b>	<b>16,180</b>



# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 9: PROPERTY, EQUIPMENT AND VEHICLES

	2013 \$	2012 \$
<b>LAND AND BUILDINGS</b>		
<b>Sydney</b>		
- At cost	4,913,802	4,913,802
- Less accumulated depreciation	(2,029,239)	(1,919,894)
	<u>2,884,563</u>	<u>2,993,908</u>
<b>Brisbane</b>		
- At cost	139,340	-
- Less accumulated depreciation	(8,399)	-
	<u>130,941</u>	<u>-</u>
<b>Adelaide</b>		
- At cost	204,628	204,628
- Less accumulated depreciation	(97,374)	(92,258)
	<u>107,254</u>	<u>112,370</u>
<b>Melbourne</b>		
- At cost	1,695,936	1,657,656
- Less accumulated depreciation	(270,980)	(229,100)
	<u>1,424,956</u>	<u>1,428,556</u>
<b>EQUIPMENT AND VEHICLES</b>		
- At cost	1,556,882	1,540,725
- Less accumulated depreciation	(1,478,850)	(1,382,667)
	<u>78,032</u>	<u>158,058</u>
<b>Total property, equipment and vehicles</b>	<u>4,625,746</u>	<u>4,692,892</u>

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 9: PROPERTY, EQUIPMENT AND VEHICLES (CONT.)

### (a) Movements in Carrying Amounts

2013	Land and buildings				Equipment and Motor Vehicle	Total
	Sydney	Brisbane	Adelaide	Melbourne	Vehicle	
	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	2,993,908	-	112,370	1,428,556	158,058	4,692,892
Additions	-	139,340	-	38,280	16,157	193,777
Disposals	-	-	-	-	-	-
Depreciation expense	(109,345)	(8,399)	(5,116)	(41,880)	(96,183)	(260,923)
<b>Carrying amount at the end of year</b>	<b>2,884,563</b>	<b>130,941</b>	<b>107,254</b>	<b>1,424,956</b>	<b>78,032</b>	<b>4,625,746</b>

### (b) Valuations of land and buildings

The Federal Management Committee has reviewed the book value of land and buildings and believes that the market value is substantially in excess of the book value. They have reviewed the assumptions used in each valuation and believe the key assumptions remain valid.

The latest valuation of the Sydney property was performed by Wayne Wotton FAPI on 1 August 2013, when the property was valued at \$3,985,000. The committee therefore believe the carrying value of the land and buildings correctly reflects the fair value less cost to sell at 30 June 2013, and as such no impairment is deemed necessary.

The freehold land and building in Melbourne was independently valued on 15 April 2011 by CB Richard Ellis, when the property was valued at \$1,800,000. The valuation was based on vacant possession "as is". The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties.

The freehold land and building in Adelaide was independently valued on 30 June 2011 by CB Richard Ellis, when the property was valued at \$285,000. The valuation was based on vacant possession "as is". The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties.

### (c) Non-current assets pledged as security

Refer to note 11 for information on non-current assets pledged as security.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 10: TRADE AND OTHER PAYABLES

	2013 \$	2012 \$
<b>CURRENT</b>		
<i>Unsecured liabilities</i>		
Trade payables	550,642	221,492
Goods and services tax payable	74,573	133,435
Creditors and accruals	260,764	409,373
<b>Total unsecured liabilities</b>	<b>885,979</b>	<b>764,300</b>
<b>(a) Included in creditors and accruals are the following:</b>		
Legal fees	62,755	67,530
Consideration to employers for payroll deductions	4,482	5,039
Employee benefits to Office holders and staff	2,418	1,363
<b>Total</b>	<b>69,655</b>	<b>73,932</b>

### (b) Amounts not expected to be settled within the next 12 months

There are no amounts not expected to be settled within the next 12 months.

No payables with another reporting unit were present as at 30 June 2013 (2012 - \$Nil).

## NOTE 11: BORROWINGS

	2013 \$	2012 \$
<b>CURRENT</b>		
<b>Secured liabilities</b>		
Bank loans	591,173	1,091,173

### (a) Bank loans

On 30 July 2012, the Alliance repaid \$500k in principal borrowings and renegotiated the ongoing facility to 31 October 2013. The facility limit was \$1.6m.

### (b) Assets pledged as security

The Bank has a fixed charge over all land and buildings owned by the Alliance in Sydney.

The carrying amounts of non-current assets pledged as security are:

First mortgage over freehold land and buildings	2,884,563	2,993,908
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# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 12: PROVISIONS

	2013 \$	2012 \$
Employee provisions are split between office holders and other employees as follows:		
<b>Current Employee Provisions - Office Holders:</b>		
Annual Leave	94,010	92,720
Long Service Leave	131,918	122,240
Separation and Redundancies	57,800	-
Other Provisions	-	-
<b>Subtotal Current Employee Provisions- Office Holders</b>	<b>283,728</b>	<b>214,960</b>
<b>Current Employee Provisions - Staff:</b>		
Annual Leave	472,272	411,730
Long Service Leave	175,046	297,210
Separation and Redundancies	-	-
Other Provisions	(1,958)	14,750
<b>Subtotal Current Employee Provisions - Staff</b>	<b>645,360</b>	<b>723,690</b>
<b>Total Current Employee Provisions</b>	<b>929,087</b>	<b>938,650</b>
Non-current Provisions - Office Holders	-	-
Non-current Provisions - Staff	142,019	30,450
<b>Total non-current employee provisions</b>	<b>142,019</b>	<b>30,450</b>
<b>Total Provisions</b>	<b>1,071,106</b>	<b>969,100</b>

## NOTE 13: OTHER LIABILITIES

	2013 \$	2012 \$
<b>CURRENT</b>		
Deferred membership income	-	29,542
Deferred other income	566,555	467,658
Alliance Safety & Solidarity Appeal Fund	546,853	313,613
Other current liabilities	26,533	34,664
<b>Total other liabilities</b>	<b>1,139,941</b>	<b>845,477</b>

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 13: OTHER LIABILITIES (CONT.)

### (a) Alliance Safety & Solidarity Appeal Fund

Deferred other income includes funds raised and expended by the Alliance Safety & Solidarity Appeal Fund.

The following is the movement in the Alliance Safety & Solidarity Appeal Fund:

	2013 \$	2012 \$
Balance as at 1 July	313,613	386,986
Funds raised during the year	369,834	36,962
Payments made during the year	(136,594)	(110,335)
<b>Balance as at 30 June</b>	<b>546,853</b>	<b>313,613</b>

These funds are invested in a separate bank account.

## NOTE 14: CASH FLOW INFORMATION

	2013 \$	2012 \$
Reconciliation of cash flow from operations with surplus after income tax expense		
Net (loss) / surplus for the year after income tax expense	(175,503)	477,625
Non-cash flows in profit from ordinary activities:		
Depreciation	260,923	221,393
Increase in fair value of available-for-sale financial assets	(2,428)	-
Changes in assets and liabilities		
Increase in trade and other receivables	(46,828)	(341,126)
Increase in trade and other payables	416,143	67,010
Increase/(decrease) in provisions	102,006	(150,422)
<b>Net Cash provided by operating activities</b>	<b>554,313</b>	<b>274,480</b>

There were no cash flows to or from other reporting units and/or controlled entities during the year to 30 June 2013 (2012- \$Nil).

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Notes to the Financial Statements for the year ended 30 June 2013

### NOTE 15: RESERVES

#### (a) Stability Reserve

The Stability Reserve was set up to advance the working capital of the Alliance and has been invested in bank accounts.

#### (b) Equity Foundation Reserve

The Equity Foundation Reserve has been set up to advance the interests of the Equity Foundation.

#### (c) Symphony Orchestra Musicians' Association (SOMA)

The SOMA Reserve has been set up to advance the interests of orchestral musicians.

#### (d) Walkley Foundation Reserve

The Walkley Awards Reserve has been set up to advance the interests of the Walkley Foundation.

#### (e) Campaign Reserve

The Campaign Reserve has been set up to advance the interests of the members.

#### (f) Special Projects Reserve

The Special Projects Reserve was set up to advance the interests of the Alliance.

#### (g) Fighting Fund Reserve

The Fighting Fund Reserve was set up to assist members undertaking action in support of Alliance objectives or other related activities in support of Alliance objectives.

	2013	2012
	\$	\$
<b>Analysis of transfer to Fighting Fund Reserve</b>		
Interest received on Stability and Fighting Fund bank account balances	-	69,576
Fighting Fund donations received during the year	351	8,235
Fighting Fund donations paid during the year	(1,213)	(436)
<b>Net transfer to reserve</b>	<b>(862)</b>	<b>77,375</b>

#### (h) Special Leave Reserve

The Special Leave Reserve was set up to provide for unforeseen staff contingencies.

#### (i) Property and Mortgage Reserve

The Property and Mortgage Reserve was set up to provide for unforeseen costs or obligations regarding the Alliance properties and mortgage bills.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 16 CAPITAL AND LEASING COMMITMENTS

	2013	2012
	\$	\$
<b>(a) Operating Lease Commitments - as lessee</b>		
Future minimum rentals payable under non-cancellable operating leases as at 30 June 13 are as follows:		
Payable - minimum lease payments		
- not later than 12 months	206,653	113,214
- between 12 months and 5 years	584,974	208,560
<b>Total operating lease commitments - as lessee</b>	<b>791,627</b>	<b>321,774</b>

On 1 September 2012, a new 5 year operating lease for the Brisbane office was entered into which will expire on 31 August 2017. The annual rental charge on this property is \$149,660.

## **(b) Operating Lease Commitments - as lessor**

Leases are for property rental in Sydney and Melbourne that are on a month to month basis with no provision for any fixed increases.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June 13 are as follows

Receivable - minimum lease payments

- not later than 12 months

**Total operating lease commitments - as lessor**

130,515      98,493

**130,815      98,493**

## **(c) Capital Expenditure Commitments**

There are no material capital expenditure commitments as at 30 June 2013 (2012 : nil).

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 17: FINANCIAL RISK MANAGEMENT

	Note	2013 \$	2012 \$
<b>Financial assets</b>			
Cash and cash equivalents	5	4,589,917	4,729,381
Loans and receivables	6	811,710	844,712
Available-for-sale financial assets	8	18,608	16,180
<b>Total financial assets</b>		<b>5,420,235</b>	<b>5,590,273</b>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
- trade and other payables	10	885,979	764,300
- Borrowings	11	591,173	1,091,173
<b>Total financial liabilities</b>		<b>1,477,152</b>	<b>1,855,473</b>

The Alliance's activities expose it to a variety of financial and market risks (including price risk, credit risk, interest rate risk and liquidity risk). The Alliance's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of The Alliance.

The Alliance's financial instruments consist of cash and cash equivalents, trade and other receivables, available-for-sale financial assets and trade and other payables and borrowings.

MEAA does not have any derivative financial instruments at 30 June 2013.

### *i) Market risk*

The Alliance is exposed to equity securities price risk. This arises from investments held by the Alliance and classified on the statement of financial position as available-for-sale financial assets.

Market risk associated with investments is overseen by the Federal Management Committee under policies approved by them.

The Federal Management Committee monitors the performance of all investments and determines the investment strategy and the selection or disposal of individual investments.

The value of available-for-sale investments held at 30 June 2013 totals \$18,608 (2012-\$16,180) - refer to note 8.

### *ii) Credit risk*

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation, resulting in the Alliance incurring a financial loss. Credit risk arises from cash and cash equivalents (e.g. deposits held with banks and financial institutions) and trade and other receivables. The credit risk on financial assets of the Alliance which have been recognised in the statement of financial position are generally the carrying amount of trade and other receivables, net of any provision for impairment. There is no concentration of credit risk with respect to current and non-current receivables as the Alliance has a large number of sponsorship and membership receivables which spreads the potential risk of impairment. To mitigate the credit risk associated with balances of cash and cash equivalents held with banks and financial institutions, the Federal Management Committee have established a policy that these can only be held with AAA rated entities.



# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Notes to the Financial Statements for the year ended 30 June 2013

### NOTE 17: FINANCIAL RISK MANAGEMENT (CONT.)

#### iii) Credit risk (Cont.)

The value of trade and other receivables at 30 June 2013 totals \$811,710 (2012- \$844,712) - refer to note 6. The value of cash and cash equivalents at 30 June 2013 totals \$4,589,917 (2012- \$4,729,381) - refer to note 5.

#### iv) Foreign currency risk

The Alliance is exposed to foreign currency risk arising from cash or cash equivalents held in foreign currency. The value of the foreign currency balances held at 30 June 2013 totals \$306,155 (2012: \$253,486) - refer to note 5. To manage the foreign exchange risk we avoid holding excess amounts of foreign currency.

#### Sensitivity analysis to foreign currency rates

The Alliance has performed a sensitivity analysis relating to its exposure to foreign currency risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in the foreign currency rates, with all other variables held constant.

	2013 \$	2012 \$
Change in surplus:		
Strengthening/weakening in Australia Dollar by 5%	3,287	2,911
Change in equity:		
Strengthening/weakening in Australia Dollar by 5%	3,287	2,911

#### v) Interest rate risk

The Alliance is exposed to interest rate risk. This arises from cash and deposits held with financial institutions. The value of cash and cash equivalents at 30 June 2013 totals \$4,589,917 (2012- \$4,729,381) - refer to note 5. The Alliance also has bank borrowings of \$591,173 (2012- \$1,091,173)- refer to note 11.

#### Sensitivity analysis to interest rates

The Alliance has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in these risks, with all other variables held constant.

	2013 \$	2012 \$
Change in surplus:		
Strengthening/weakening in interest rate by 5%	17,062	22,937
Change in equity:		
Strengthening/weakening in interest rate by 5%	17,062	22,937

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 17: FINANCIAL RISK MANAGEMENT (CONT.)

### vi) *Liquidity risk*

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Alliance manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The following financing facilities were available to the group at the end of the reporting period:

	2013 \$	2012 \$
<b>Bank loans</b>		
Total facilities:		
Used at the end of the reporting period	591,173	1,091,173
Unused at the end of the reporting period	1,008,827	-
	<u>1,600,000</u>	<u>1,091,173</u>

The bank loan facility may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facility may be drawn at any time and have an average maturity of 3 months (2012- 3 months).

### *Remaining contractual maturities*

The Alliance's remaining contractual maturities for its financial instrument assets and liabilities are all classified as 1 year or less.

### **Net fair values**

Net fair values of listed investments, classified as available for sale financial assets, have been valued at the quoted market bid price at balance date. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and the notes to the financial statements.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Notes to the Financial Statements for the year ended 30 June 2013

### NOTE 18: SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

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

Information to be provided to members or the General Manager of Fair Work Australia:

(1) A member of a reporting unit, or the General Manager of Fair Work Australia, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

### NOTE 19: MONIES HELD IN TRUST

At year end the Alliance was holding in Equity Trust an amount of \$5,110,050 (2012: \$5,769,476). This amount and the corresponding liability are not reflected in the statement of comprehensive income or the statement of financial position of the Alliance. These amounts are not consolidated as part of the Alliance financial statements under Australian Accounting Standards as these funds are not directly controlled by the Alliance. The monies received on behalf of the performers are held in Trust prior to the quarterly distribution.

#### Residuals

The Equity Trust is responsible for distributing residual fees (residuals), which are fees paid by distributors to the performers concerned. They are sometimes referred to as “royalties”, “repeats” or “second usage fees”. These fees are negotiated by the Alliance and paid to qualifying performers who work on film or TV productions, after the initial use or exploitation of these productions.

The Equity Trust collects these fees on behalf of the performers and then calculates the residuals for each of them. These calculations are reviewed by the Alliance’s external auditors, prior to paying performers each quarter. On occasion, there are discrepancies relating to performers entitlement to residuals or the attributed portion and these need to be resolved before payments are made.

All residual fees received are banked in accounts specifically designated as trust accounts.

The Equity Trust monitors exploitation or sales which may trigger residuals and contacts the producer and distributor when money is due from them. Producers and distributors are required to provide regular reports on all income they have received and residuals owing.

The Equity Trust aims to pay out all residuals received, but some performers are difficult to trace.

The Alliance Rules provide for the use of those amounts that are not able to be distributed within six years of being received by the Association; they may be applied by the Alliance for the interests of the general class of people for whom the money was received, that is, performers. If, after six years, if any member can assert a right to any money received, the Alliance shall make good that money. Any net interest or related earnings for the interests can also be applied to the interests of performers.

#### Superannuation contributions

Equity Trust also negotiates monitors and collects superannuation contributions on behalf of Australian performers working overseas and forwards their entitlement to the appropriate superannuation fund.

#### Bonds

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 19: MONIES HELD IN TRUST (CONT.)

To safeguard the wages of performers and crew working on productions, Equity may require a bond to be lodged by the producer. In such cases, Equity Trust releases the bond after the production has provided a certificate from its accountants, certifying that all performers' and crews' wages, including superannuation and annual leave, have been paid.

Assets and liabilities of the Equity Trust not recorded in the financial statements of the Alliance were:

	2013	2012
	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	5,110,050	5,769,476
<b>Total current assets</b>	<b>5,110,050</b>	<b>5,769,476</b>
<b>Current liabilities</b>		
Bonds received and owing	44,857	43,500
Owed to cast members	4,829,426	5,361,753
Owed to Alliance (refer to note 6(a))	189,867	318,323
Provision	45,900	45,900
<b>Total current liabilities</b>	<b>5,110,050</b>	<b>5,769,476</b>

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

Notes to the Financial Statements for the year ended 30 June 2013

## NOTE 19: MONIES HELD IN TRUST (CONT.)

	2013 \$	No of Performers	2012 \$	No of performers
<b>Total owed to cast members at 1 July</b>	5,361,753		4,680,405	
Prior period adjustment	18,509		-	
<b>Revised total owed to cast members at 1 July</b>	<u>5,380,262</u>		<u>4,680,405</u>	
<b>Monies received in the year</b>				
Residuals, claims and super received	4,820,221	10,338	5,660,123	5,635
<b>Monies paid in the year</b>				
Residuals, claims and super paid to performers	(4,478,099)	5,094	(4,011,984)	2,219
<b>Payments made on behalf of performers to the Alliance:</b>				
- Residual Fees deducted from residuals on behalf of members of which \$236,062 was paid including GST of \$21,460 to the Alliance as Member Income (2012 \$197,054 which includes GST of \$17,914)	(166,223)		(197,054)	
- Outstanding union subscriptions deducted from residuals on behalf of members and paid to the Alliance as member income (current)	(162,733)		(105,478)	
- Outstanding union subscriptions deducted from residuals on behalf of members and paid to the Alliance as member income (non current)	(7,689)		(87,583)	
- Administration fees deducted from residuals on behalf of non-members of which \$262,543 including GST of \$23,867 to the Alliance Equity Trust (2012 \$190,004 including GST of \$17,273)	(223,169)		(190,004)	
<b>Amounts paid to the Alliance Equity Trust:</b>				
- Interest Members Equity	(41,717)		(16,672)	
- Portion of amounts not able to be distributed within six years transferred to the Alliance Equity Foundation for the interests of performers	(291,427)		(370,000)	
<b>Total owed to cast members at 30 June</b>	<u>4,829,426</u>		<u>5,361,753</u>	
<i>The total owed to cast members at 30 June 12 includes undistributable amounts that are over six years old</i>	1,397,539		1,473,151	
<b>Interest received on recovered monies</b>				
- Interest received on Equity Trust bank accounts, of which \$166,359 (2012 \$293,523) was transferred to the Alliance Equity Trust	207,281		264,958	
<b>Costs of administration (these have been accounted for in Alliance operations)</b>	-		-	

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Notes to the Financial Statements for the year ended 30 June 2013

### NOTE 20: WALKLEY FOUNDATION

Subsequent to the year end, the Walkley Foundation was incorporated as a not for profit company limited by guarantee. From this point onwards the assets, liabilities and reserves belonging to the Walkley Foundation will be managed by the board of the committee which consists of the nationally elected officers of the Media Section, the Chair of the Walkley Advisory Board and up to two further directors.

At the time of incorporation the directors are Media President Stuart Washington, Federal Vice-President Gina McColl, Federal Vice-President Philippa McDonald, Federal Secretary Christopher Warren, Walkley Chair Laurie Oakes and former Chair Quentin Dempster.

Assets, liabilities and reserves of the Walkley Foundation recorded in the financial statements of the Alliance were:

	2013 \$
<b>Current assets</b>	
Cash and cash equivalents	994,903
Trade and other receivables	76,138
<b>Total current assets</b>	<u>1,071,041</u>
<b>Current liabilities</b>	
Trade and other payables	533,215
Provisions	165,622
<b>Total current liabilities</b>	<u>698,837</u>
<b>Net Current Assets</b>	<u>372,204</u>
<b>Equity</b>	
Reserves	372,204
<b>Total Equity</b>	<u>372,204</u>

The result for the year to 30 June 2013 in respect of the Walkley Foundation was \$55,955.

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Notes to the Financial Statements for the year ended 30 June 2013

### NOTE 20: WALKLEY FOUNDATION (CONT)

#### Walkley Foundation Key Management Personnel Compensation

Subsequent to the year end, the Walkley Foundation was incorporated as a not for profit company limited by guarantee. As such, the remuneration of the Walkley Foundation director, J Park, has been disclosed below given that the Walkley Foundation is a related party of the Alliance post year end.

Name	Position	Salary \$	Superannuation \$	Termination benefits \$	Other benefits \$	Total \$
J Park	Walkley Foundation director	70,328	18,371	-	16,965	105,664
<b>Total 2013</b>		<b>70,328</b>	<b>18,371</b>	<b>-</b>	<b>16,965</b>	<b>105,664</b>

Note that 'other benefits' represents grossed up salary sacrifice amounts received by staff as part of their remuneration package.

### NOTE 21: EVENTS AFTER THE REPORTING DATE

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

The financial statements were authorised for issue on 23 October 2013 by the Federal Management Committee.

### NOTE 22: RELATED PARTY TRANSACTIONS

In accordance with AASB 124 there are no related party transactions as at the 30th of June 2013. (2012: nil).

### NOTE 23: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets as at 30 June 2013 (2012: nil).

### NOTE 24: COMPANY DETAILS

The registered office and principal place of business of the Alliance is:

245 Chalmers Street, Redfern NSW 2016.

### NOTE 25: BUSINESS COMBINATIONS

No assets or liabilities were acquired due to amalgamation or restructure during the year (2012 - \$Nil) or as part of a business combination (2012 - \$Nil).

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

## Federal Secretary's Declaration

In the Federal Secretary's opinion:

- the attached financial statements and notes thereto comply with the Australian Accounting Standards - Reduced Disclosure Requirements, other mandatory professional reporting requirements and the Fair Work (Registered Organisations) Act 2009;
- the attached financial statements and notes thereto give a true and fair view of the Alliance's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Alliance will be able to pay its debts as and when they become due and payable

Federal Secretary: Christopher Warren

Dated this the XX<sup>th</sup> of September 2014

DRAFT



## INDEPENDENT AUDITOR'S REPORT

To the members of Media Entertainment Arts & Alliance

### Report on the Financial Report

We have audited the accompanying financial report of Media, Entertainment & Arts Alliance, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Federal Secretary's declaration.

#### Federal Secretary's Responsibility for the Financial Report

The Federal Secretary is responsible for the preparation of the financial report that gives a true and fair view and has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Fair Work (Registered Organisation) Act 2009* and is appropriate to meet the needs of the members.

The Federal Secretary's responsibility also includes such internal control as the Federal Secretary determines is necessary to enable the preparation of a financial report that gives a true and fair view and 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 about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

#### Independence

In conducting our audit, we have complied with the independence requirements of the *Fair Work (Registered Organisation) Act 2009*. We confirm that the independence declaration



required, which has been given to the Federal Secretary of Media Entertainment Arts & Alliance, would be in the same terms if given to the Federal Management Committee members as at the time of this auditor's report.

### **Opinion**

In our opinion:

- (a) the general purpose financial report of Media, Entertainment & Arts Alliance is in accordance with the *Fair Work (Registered Organisation) Act 2009*, including:
  - (i) presents fairly the entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards to the extent described in Note 1, and the *Fair Work (Registered Organisation) Act 2009*.
- (b) management's use of the going concern basis of accounting in the preparation of the financial report of Media, Entertainment & Arts Alliance is appropriate.
- (c) in relation to recovery of wages activity reported in Note 19:
  - (i) the scope of the audit encompassed recovery of wages activity;
  - (ii) the financial statements and notes report properly and fairly all information required by the reporting guidelines of the General Manager, including:
    - (1) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
    - (2) any donations or other contributions deducted from recovered money.

### **Auditor's qualification**

We confirm that Grant Saxon:

- (a) is an approved auditor;
- (b) is a person who is a member of The Institute of Chartered Accountants in Australia; and
- (c) holds a current Public Practice Certificate.

**BDO East Coast Partnership**

**Grant Saxon**

**Partner**

Sydney, XX September 2014



16 May 2014

Christopher Warren  
Federal Secretary  
Media, Entertainment & Arts Alliance  
245 Chalmers Street  
REDFERN NSW 2013

Dear Mr Warren

**Media, Entertainment & Art Alliance Financial Report for the year ended 30 June 2013 - [FR2013/274]**

I acknowledge receipt of the financial report of the Media, Entertainment & Art Alliance (MEAA). The documents were lodged with the Fair Work Commission (FWC) on 13 November 2013.

The financial report has not been filed.

I have examined the financial report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

The General Purpose Financial Report (GPFR), the Operating Report and the Auditor's Report will require amendments. The amended reports will need to be provided to members, presented to a Committee of Management Meeting, republished on the MEAA website and lodged with FWC.

The matters identified should be read in conjunction the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), Reporting Guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards. 'Model financial statements' are also available on the FWC website to assist organisations in preparing returns.

**1. Reference to legislation**

Federal Secretary's report - Committee of management statement

It has been noted that within the financial documents that reference is made to repealed legislation. In particular I make reference to the Committee of Managements declaration within the Federal Secretary's report which refers to the Registration and Accountability of Organisations (ROA) schedule instead of the RO Act. Reference is also made to the Registrar instead of the General Manager. Please refer to item 41 of the RG and update the Federal Secretary's report accordingly.

Accounts need to include Notice which sets out sections 272(1), (2) & (3)

As you are aware the notes to the GPFR should include a notice drawing attention to the fact that prescribed information is available to members on request. This requirement is set out in subsection 272(5) of the RO Act, and it specifically requires the accounts to include a copy of subsections 272(1), (2) & (3) as follows:

- (1) *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.*

*(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.*

*(3) A reporting unit must comply with an application made under subsection (1).*

Note 18 to the financial statement reproduced the wording from repealed legislation and makes reference to the RAO Schedule instead of the RO Act and under item (1), refers to a Registrar instead of the General Manager. Note 18 must be amended to reflect the correct wording and reference to the correct legislation.

## **2. Timescale requirements**

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the FWC website. In particular, I draw your attention to financial reporting process and timelines which explains the timeline requirements, and diagrammatic summary of financial reporting timelines which sets out the timeline requirements in diagrammatical form.

I note that the following timescale requirement was not met:

### Documents must be lodged with the FWC within 14 days of General Meeting

Section 268 of the RO Act states that the full report and the Designated Officer's Certificate are required to be lodged with the FWC within 14 days of the meeting of the Committee of Management. The Designated Officer's Certificate indicates that this meeting occurred on 25 October 2013. If this is correct the full report should have been lodged with the FWC by 9 November 2013.

The full report was lodged on 13 November 2013.

If these dates are correct, the organisation is required to apply for an extension of time to lodge the required reports and the Designated Officer's Certificate in accordance with section 268 of the RO Act. Please provide a written request for an extension of time, signed by a relevant officer including any reason for the delay.

Please note that in future financial years if an extension of time is required, the written request must be made prior to required date of lodgement.

## **3. Operating Report**

### Officers and employees who are directors of a company or a member of a board

Item 37 of the RG requires details of any officer or employee of the reporting unit who is a director of a company or a member of a board. Item 38 of the RG also requires that if a reporting unit has no information to disclose relating to the abovementioned requirement that a statement to that effect must be included in the Operating Report.

Please amend the Operating Report accordingly.

## **4. Auditor's Report**

### Auditor's qualifications

Regulation 4 of the RO Regs provides the definition of an approved auditor. Item 44 of the RG requires that in the Auditor's Report, the auditor must declare they are either an approved auditor or the auditor is a member of a firm where at least one member is an approved auditor and must specify that the auditor is a person who is a member of CPA Australia, the Institute of Chartered Accountants in Australia or the Institute of Public Accountants, and holds a current Public Practice Certificate.

I note that this information has not been included in the Auditor's Report. The Auditor's Report will require amendment to include this information.

### Declaration relating to management use of the going concern basis of accounting

Item 45 of the RG requires that the Auditor's Report include a declaration, that as part of the audit of the financial statements, they have concluded that management's use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

The Auditor's Report will need to be amended to include the abovementioned declaration and reissue to Members and FWC.

#### Recovery of Wages Activity

Item 43(b) of the RG requires that in relation to recovery of wages activity that in the Auditor's Report that the scope of the audit encompasses recovery of wages activity and that the financial statement and notes and recovery of wages activity financial report properly and fairly report all information required by the RG of the General Manager including:

- Any fees charged to, or reimbursements of expenses claimed from, members and other for recovery of wages activity;
- Any donations or other contributions deducted from recovered money; and
- Any other requirements (as prescribed by Part 3 of Chapter 8 of the RO Act and the RG).

The Committee of Managements declaration within the Federal Secretary's report (item f) refers to recovery of wages activity which the FWC assumes relates to the information provided in Note 19, however the Auditor's Report makes no references to this.

The Auditor's Report must be amended to include recovery of wages activity.

### **5. General Purpose Financial Report**

#### Application of Tier 1 reporting requirements

Paragraph 8 of the RG states *'It is a requirement that all reporting units apply the Tier 1 reporting requirements as per the Australian Accounting Standard AASB 1053 Application of Tiers of Australian Accounting Standards'*. The notes to the financial statements state that *'the financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board.'*

MEAA is required to prepare the financial statements for the year ended 30 June 2013 in accordance with the Tier 1 reporting requirements.

#### General purpose financial report to be prepared on accrual basis

Section 252 of the RO Act places obligations upon reporting units to keep financial records. Under section 252(4) an organisation may keep the financial records for its membership subscriptions on a cash basis.

This is distinct from the obligation under section 253 to *prepare* a GPFR. Section 253 requires that *'...a reporting unit must cause a GPFR to be prepared, in accordance with the Australian Accounting Standards, from the financial records kept under subsection 252(1) in relation to the financial year...'* Paragraph 27 of Australian Accounting Standard *AASB101 Presentation of Financial Statements*, states that *'an entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting'*.

Note 1(g) to the financial statements state membership subscriptions has been accounted for on a mix of cash and accruals basis.

Membership subscriptions will need to be brought to account on an accruals basis in accordance with the Australian Accounting Standards and the relevant statements and items will need to be amended accordingly. This will also require the re-auditing of these statements by your auditor and the reissuing of the GPFR to members and FWC.

It is further noted that this will result in a change of accounting policy that will need to be disclosed in accordance with *AASB 108 (Accounting Policies, Changes in Accounting Estimates and Errors)*. You may need to discuss this with your auditor.

#### Related Parties

Note 22 Related party transactions state that *'at reporting date there are some employees with balances of less than \$2,000 either owing or payable due to salary packaging arrangements.'* No other related party transactions are disclosed. Related party transactions are required to be disclosed under Australian Accounting Standard *AASB 124 Related Party Disclosures* paragraph 18.

In accordance with *AASB 124 Related Party Disclosures*, a related party transaction 'is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged'.

An article published in the Financial Review on the 29 March 2014 titled 'Smear battle at the top of the media union' refers to transactions between the MEAA and the International Federation of Journalists Asia Pacific (IFJ AP). Although the MEAA have disclosed on page 15 in the MEAA 2012-2013 annual report the family relationships between elected officers and members of staff within the IFJ AP, individual transactions have not been disclosed. The disclosure of related party transactions that will apply to the financial statements is when information resulting from their application is material in accordance with *AASB1031 Materiality*. It must be noted that in deciding whether an item or an aggregate of items is material, the size and nature of the omission or misstatement of the items usually need to evaluate together.

The notes to the financial statements are required to be updated to include all relevant related party transactions.

#### Financial risk management

Australian Accounting Standard *AASB 7 Financial Instruments: Disclosures* details the reporting disclosures required by an entity in relation to financial instruments. Although some disclosures have been made in Note 17 not all relevant disclosures have been provided.

#### Leases

In the MEAA financial statements, *Note 2 Revenue* states that an amount of \$341,247 was received in the 2013 financial year for rental income. *Note 16 Capital and leasing commitments* however does not include any information in relation to this operating lease and does not provide for the required disclosures under *AASB117 Leases* paragraph 56. Please amend the GPFR accordingly.

#### Disclosure of affiliation fees

In order to satisfy item 17(c) of the RG separate disclosure of affiliation fees paid to political parties and industrial bodies need to be made. This includes disclosing the amount paid to each entity and the name of each entity to which monies were paid. Although affiliation fees are disclosed in Note 3, the name of each entity and amount paid has not. Please amend the GPFR to disclose this information.

#### Disclosure of employee expenses/provisions for office holders and other employees

The RG require reporting units to disclose in the Statement of Comprehensive Income or in the notes to the financial statements employee expenses to holders of office (item 17(f)) and employee expenses to other employees (item 17(g)).

I note that Note 3 does not distinguish between employee expenses for office holders and other employees, although it does disclose salaries, annual leave, long service leave, redundancies, superannuation, benefits and other employee costs separately.

The Reporting Guidelines also require either the Statement of Financial Position or the notes to disclose any liability for employee benefits in respect of office holders and other employees (item 21(c) and 21 (d)). Note 12 discloses these liabilities but does not distinguish between provisions for office holders and other employees by annual leave, long service leave, separation and redundancies and other employee provisions. The disclosure between current and non-current is also not in accordance with the RG. Please amend the GPFR accordingly.

#### Activities under Reporting Guideline not disclosed

Item(s) 14, 16, 18, 20, 22 and 26 of the RG state that if the activities identified in item(s) 10, 11, 12, 13, 15, 17, 19, 21 and 25 have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that for the following items no such disclosure has been made:

- 10 going concern financial support received from another reporting unit
- 11 going concern financial report provided to another reporting unit
- 12 acquires asset or a liability due to amalgamation or restructure
- 13 business combinations
- 15(b) capitation fees received

- 15(e) financial support received from another reporting unit
- 17(a) fees incurred as consideration for employers making payroll deductions of membership subscriptions
- 17(b) capitation fees paid
- 17(d) compulsory levies imposed
- 17(h) fees or allowances paid to persons to attend a conferences or other meeting as a representative of the reporting unit
- 17(i) expenses incurred with holding meeting of members or any conferences or meeting of councils, committees, panels or other bodies
- 17(k) penalties imposed under the RO Act.
- 19 receivable or payable with another reporting unit
- 21(a) payables to employers as consideration for the employers making payroll deductions of membership subscriptions
- 25 cash flows to/from other reporting units and/or controlled entity to be reported in Cash Flow Statement or in the notes to the GPFR

## **6. Statement of loans, grants and donations**

Under subsection 237(1) of the RO Act, if an individual loan, grant or donation made by a branch exceeds \$1,000 a statement showing the relevant particulars of each must be lodged with the FWC within 90 days of the end of the financial year.

The financial statements disclose donations of \$2,673 during the financial year.

Can you please confirm that none of these donations exceeded \$1,000? If however a donation(s) did exceed \$1,000, please lodge with the FWC a statement of Loans, Grants and Donations as soon as possible. The statement should include a request for an extension of the 90 day deadline, signed and dated by the relevant officer, outlining the reason for the delay in lodgement.

A template Loans, Grants and Donations form is available on the FWC website.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7886 or by email at [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au).

Yours sincerely



Joanne Fenwick  
Financial Reporting Specialist  
Regulatory Compliance Branch



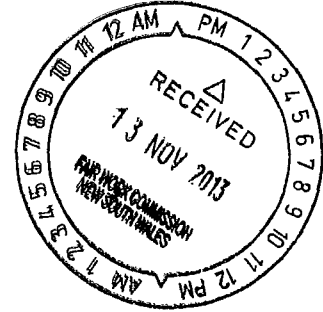
**media, entertainment & arts alliance**  
the people who inform and entertain

FR2013/274

Stephen Kellett  
Fair Work Australia  
80 William Street  
East Sydney NSW 2011

8 November 2013

Dear Stephen Kellett



**Re: Lodgement of Financial Statement and Accounts – Media, Entertainment & Arts Alliance – for year ending 30 June 2013**

Please find enclosed the Annual Report “Full Operating Report” for the Media, Entertainment & Arts Alliance, for the financial year ended 30 June 2013 and the Acting Secretary’s certificate.

Yours sincerely

Delta O'Hara

**Media, Entertainment & Arts Alliance**



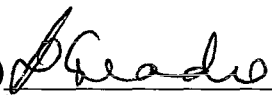
**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

s268 Fair Work (Registered Organizations) Act 2009

I, **Sue McCreddie**.....,

a prescribed designated officer of the Media, Entertainment and Arts Alliance, certify that the financial statements and accounts for the year ended 30 June 2013 (attached) are :

- copies of the full report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*
- copies of the documents provided to members on 30 September 2013
- subsequently presented to a (second) meeting in accordance with section 266 held on 25 October 2013.

(Signature) 

(Position) ACTING FEDERAL SECRETARY

Date 8 / 11 / 2013



MEDIA, ENTERTAINMENT & ARTS ALLIANCE

**ANNUAL REPORT**  
**2012-2013**

# MEDIA, ENTERTAINMENT & ARTS ALLIANCE

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COVER PHOTO  
Members of the Japanese team pursuit, race at the Dunc Gray Velodrome, Bankstown, during the Australian Youth Olympic festival. Photo by Mark Evans

## MEAA OFFICES/CONTACT DETAILS

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**PRODUCTION DETAILS:**

**Author:** Christopher Warren

**ADDRESS:** Media, Entertainment & Arts Alliance,  
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**WEBSITE:** www.alliance.org.au

**DESIGN AND PRODUCTION MANAGEMENT:**  
Magnesium Media

**ABOUT THIS REPORT:** MEAA gratefully acknowledges the generosity of the MEAA members who supplied artwork and photographs for use in this report. All artwork and photographs featured in this report were recommended for use by the Walkley Foundation for Journalism.

## FEDERAL SECRETARY'S MESSAGE



The past year has been one of action by your union. We have seen the industries we work in buffeted by change, transformed by the digital revolution and under pressure from tough economic conditions. Your union has been at the forefront of recognising these challenges, informing members about their implications and embracing the opportunities that emerge from change.

The Media, Entertainment & Arts Alliance has much in common with the industries we represent. As they confront profound change, there is

much to be gained. And there is much that is being lost. We must embark on a journey of change if we are going to continue at the centre of our industries. And so your union is also transforming itself, adapting to the new circumstances to ensure we can create a resilient organisation focussed and prepared for the new environment.

The first significant change is how we describe ourselves. We asked our members how they refer to us and they came up with a two-syllable word: MEAA. So when using a shorthand reference we'll be MEAA from now on.

We've also acknowledged the ties that link the elements of our union together, and that brought our sections together when we amalgamated 21 years ago. We have utilised those key elements to brand ourselves. We are: the trade union and professional association for Australia's creative professionals, built on integrity and powered by creativity.

These changes are subtle, maybe they are even overdue, but they are essential to position MEAA for the future.

And they complement the five key goals that continue to drive our work for our members: organising to grow, protecting and improving our rights at work, building better benefits and extending our services to members, shaping the industries we work in through our campaigns and communications and acknowledging we want to be part of something bigger.

These strategic goals are the drivers of ongoing change, renewal and innovation in your union. In the following pages you will see how we are working smarter, leaner and more efficiently while improving our ability to use new tools to engage with members and seek out new areas for membership growth across the industries where we represent workers.

MEAA has also overhauled its organisational structure to be more accountable and more responsive while also improving governance and transparency.

We have upgraded our membership database system to integrate it with other activities run by the union and improve our ability to galvanise activism among our members.

We continue to identify new areas for membership growth, expansion and representation particularly in the areas of crew for film and television production, performers (particularly in New Zealand where we have met with considerable success) and in new media, particularly small and medium-sized companies.

The rise in contingent work presents particular challenges for any union but MEAA has been dealing with this situation for decades and we recognise that we must offer our freelance members across the industries we represent a range of services that suit the way they work.

Earlier this year we developed the Freelance Pro membership category for freelance journalists that offered, among other services, insurance at prices that were unavailable elsewhere in the market. We have been able to extend the insurance offering concept to musicians in a further demonstration of MEAA adapting to the needs of its freelance members. Other services are being worked on now.

Our foundations continue to expand and tailor professional development services for members in a further extension of this activity.

We have continued our campaigning activities and our lobbying in vital areas such as copyright, digital convergence and press freedom.

MEAA continues to commit itself to best practice unionism, ensuring clear and open governance and financial reporting that we believe puts MEAA among the very best at ensuring all our activities are conducted with transparency and impeccable honesty.

There is no doubting that great challenges remain before us. MEAA is now on a surer footing and better equipped to meet those challenges and take advantage of the opportunities that emerge.

**Christopher Warren**  
Federal Secretary

## FEDERAL PRESIDENT'S MESSAGE



Creative people thrive in times of challenge and change. We know that opportunities to express ourselves abound when the status quo is upset. And so it is for the Media, Entertainment & Arts Alliance.

What has looked like a period of intense tumult is also allowing your union to reinventorise itself – to build a better union.

Our industries are still facing unprecedented challenges: ongoing financial pressures due to local and overseas factors, disruption due to

transformative changes of digital technology and new ways our audiences can choose to interact with, and consume, our work.

But we are also seeing startling new developments that indicate an exciting future.

Our performer members are embracing new ways of working, utilising new platforms and ways to engage an audience. Our media industry members are still being buffeted by the digital revolution but innovative tools of story-telling are emerging creating new ways to produce high quality journalism. Our members who work in film, television and theatre are utilising new skills and technologies, placing us among the very best in the world.

There are still many hurdles we must overcome. Money is tight in all our industries. Media organisations struggle to find advertising, subscription and circulation revenue to pay for high quality journalism and investigative reporting. Arts and entertainment companies struggle due to insufficient funding and can often become political footballs in debates that seem to ignore fundamental issues about the arts. Production crew and our many venue and outdoor members are beset by tough working conditions and increasing demands to do more with less.

Your union is waging battles on behalf of its members. We continue to campaign for your rights at work and to fight for fairness. As a union, our strength comes from our members and the results we gain are, in the most part, dependent on how strong we are in the workplace. That is why ongoing membership is important. It is also why we must always strive to recruit more members to our union.

We ended the financial year in good shape after a very tough 12 months. We have conscientiously made difficult but right decisions about allocating our resources where they can be best employed. The coming year is also full of challenges – not least being that we have a new federal government.

We have been encouraged by comments from the incoming government that they did not agree with calls to relax copyright and that they were on the side of creators, copyright owners and providers. MEAA believes that copyright law should recognise the digital environment but not at the expense of sacrificing the income earned by creators if we relax our attitudes to piracy.

We hope that political leaders across the country accept MEAA's call for uniform national shield laws for journalists and take steps on the many press freedom issues that continue to plague our media industry from being able to truly fulfil its role as the fourth estate in a healthy, functioning democracy.

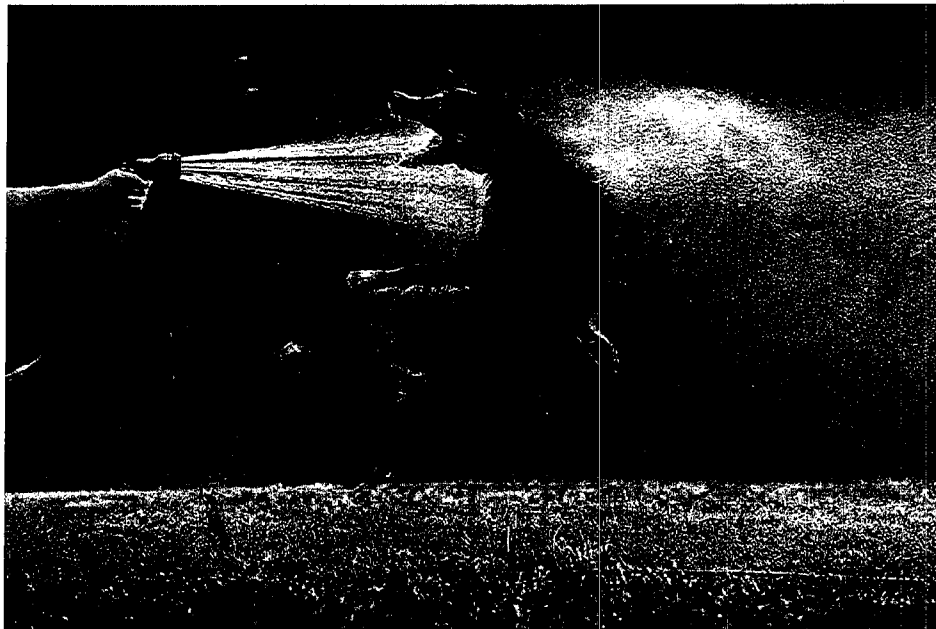
We hope that for all the talk of stringent fiscal management, governments do not lose sight of the need for properly funded public broadcasters and arts companies, and that we see the adoption of a comprehensive national culture policy that places the development and innovation of our creative professions at the forefront of Australia's cultural life.

In the past few years, MEAA has been transforming itself to tackle the challenges and exploit the opportunities of the changes to our industries. We have strived to inform our members of the implications of change and encourage them to rise to these challenges. It's been a rough ride but there is no doubting that we are better union for it.

We will not stand still. In the coming year MEAA will unveil smart new ways of communicating with members, allowing you to network and promote yourselves, develop your professionalism and take advantage of new opportunities.

I hope you'll join me on the exciting journey ahead.

**Patricia Amphlett**  
Federal President



Bella, an 18-month-old Collie cross, exuberantly attacks the water from a garden hose on a warm summer's day in North Queensland. Photo by Marc McCormack



Senior CFS volunteer Rob Horjus surveys the house his team has just saved, surrounded by a field of spinifex stumps erupting like flames and a blizzard of wind-whipped ash flakes. Photo by Sean McGowan

## MEAA

Built on integrity and powered by creativity, MEAA is the largest and most established union and industry advocate for Australia's creative professionals.

Building from a proud heritage, MEAA is focused on the future as a thought leader and driver of change. A strong and passionate advocate for its members, MEAA also connects and creates new opportunities on their behalf.

MEAA is evolving to meet the changing needs of the creative professionals of Australia, and it won't stop until it provides the best and most relevant services possible to every creative professional in the country.

The five key goals of MEAA are:

- Goal 1: Organise to grow:** Over the past decade, we have recognised that to survive our union needs to grow – and to grow we need to be an organising union: one that engages members and potential members and enables them to build power through collective action.
- Goal 2: Protect and improve rights at work:** Working in the media, arts and entertainment industries – whether as a journalist, a jazz musician, an usher, a basketball player or an actor – often means unusual hours of work, non-traditional workplaces and short-term employment. One of the best ways to ensure power at work is through a collective agreement. MEAA fights hard to introduce collective agreements at every workplace because they are the best, and often the only, way of protecting basic employment conditions such as minimum hours of work, travel allowances and overtime.
- Goal 3: Build better benefits and extend services:** MEAA is upgrading the discount services offered to members; extending and promoting our professional development programs; helping to build members' superannuation and improving the collection, distribution and communications about
- residuals. We are also developing new online spaces that will allow members to network, communicate and discover job opportunities.
- Goal 4: Shape our industries through communications and campaigns:** Campaigns and communication lie at the core of a union. A body as large and diverse as MEAA could not function without a strong internal and external communications strategy. At MEAA we rely on a range of traditional and new media tools to keep members and activists informed, to communicate with delegates, lobby government bodies and employers, engage in public campaigns and inform and educate members about their industrial rights.
- Goal 5: Be part of something bigger:** In a difficult and changing environment, when our industries are being buffeted and industrial laws attempt to reduce our ability to represent our members, MEAA aims to work more efficiently and more effectively to build a sustainable organisation. We work with others both inside and outside our industries to build power.

## ORGANISING TO GROW

A coherent organising strategy across all sections and states is central if MEAA is to grow. This approach has helped contain much of the damage from the digital-driven restructuring of our industry and the continued slow recovery from the global financial crisis.

To instil a growth and recruitment culture within the union, we have structured our staffing and related resources into sections, with directors for each of the three major sections and the allocation of core, maintenance and growth staff within those sections. We are building an organising culture among all staff and activists through training and reporting.

Central to this strategy has been to segment our membership (and potential membership) into three key areas:

Our **core areas** are those where we have or expect to have more than 50 per cent density. These are journalists in traditional media, performers in theatre, film and television, crew in live theatre and orchestral musicians. Despite the fact that these areas are just about all covered by collective agreements that are regularly maintained, we estimate that about one-third of people working under these agreements are not members. This is better than the Australia-wide

differential between union density (about 19 per cent) and coverage of collective agreements (about 38 per cent) but still has potential for growth.

By **maintenance**, we mean particularly those areas where we have inherited activity and membership but where a combination of high casualisation and employer antipathy has made it difficult to sustain our membership in most areas. These are cinemas, outdoor event day workers and extras.

By **growth** we mean those areas that we deliberately target for growth. These are film and television production crew, New Zealand Equity, commercial television and new media, particularly in small- and medium-sized companies. To develop an organising approach to these areas we have dedicated particular resources through each of the sections to develop and implement organising plans.

### BUILDING ROBUST AND ACCOUNTABLE STRUCTURES

At MEAA we pride ourselves on doing the best we can with what we have. Like all organisations, MEAA is a web of relationships – between members and elected officers, between different tiers of officers, between employed staff and activists, between activists and

members to list just a few.

Governance describes how we build robust and accountable structures to manage these relationships.

The governance of the union must aim to maximise democratic participation of, and control by, members. But, as our union has long recognised, elections themselves are not the sum of democratic control. Rather, it requires governance that delivers accountability, transparency and effective operations.

To provide clearer reporting lines and improve accountability, we have a management structure built around the primacy of sectional structures, with geographic and shared functions. This structure is set out at on page 21. There were no significant changes in management appointments during the 2012-2013 year.

Following the decision of Federal Council, the Federal Management Committee has been managing the replacement of elected officers by employed staff as vacancies have arisen, although none has occurred during the year. This has enabled the continuing elected employed positions to be integrated into the new section-focused organisation structure. A further three honorary officers were seconded to work on specific projects for set times.

Earlier this year, MEAA agreed on new staff salaries and conditions. Staff wages were

increased by 3 per cent from July 1, 2012, in line with the average of rises in major MEAA agreements in the previous 12 months. As part of the new agreement, wages were increased by 2.75 per cent from July 1, 2013, along with the superannuation guarantee increase of 0.25 per cent. Other changes to conditions included greater flexibility in hours of work and access to time off in lieu for overtime.

As a result of the Commonwealth takeover of state powers, MEAA has updated and validated its state rules in NSW and Western Australia. Following the end of the financial year, MEAA decided to cancel the state registration of its counterpart organisations in Queensland.

#### MEMBERSHIP PROCESSES AND DATABASE

We have upgraded the membership database system to integrate it more with other activities such as participation in our events. We are also considering how to integrate the membership system and other contact databases, how to make the system more web-enabled, how to integrate with our finance data base and how to integrate with social media.

#### MEAA MEMBERSHIP

	June 11	June 12	June 13
Media	7206	7024	6461
Equity	6196	6002	6039
ATAEA	3045	2943	2877
Musicians	788	770	732
<b>TOTAL</b>	<b>17,235</b>	<b>16,739</b>	<b>16,109</b>

#### BOARD GOVERNANCE STRUCTURES

MEAA conducted an 18-month review of its governance structures. This has included an independent review and an in-principle commitment to simplifying governance. At its biennial meeting in mid-September 2012, Federal Council voted that it would henceforth meet annually to ensure it keeps pace with the enormous changes sweeping through our industries and requiring key decisions to be made by the rank-and-file representative body that governs our union.

Federal Council also decided to merge Federal Management Committee and Federal Executive to create a board of 10 honorary members: the federal president, the sectional presidents and five vice-presidents. As a result the pre-existing three vice-presidents were added to the committee in late 2012. In the 2013 elections, five vice-presidents were elected and became members of the management committee.

In order to bring all elections for full-time officials into line, the Victoria branch secretary's position was elected for two years in the 2013 elections (rather than the previous four-year term) to align with the expiry of the term of office for all other elected positions.

Federal Council will, in 2014 then decide, on the basis of full consultation with the membership, on a final model of governance.

#### ELECTION RESULTS

In September 2012, Federal Council approved that changes be made to certain elected positions. Fair Work approved these rules changes on October 31. In November 2012 MEAA applied to Fair Work for an election to be held for certain positions including honorary officials. An election was conducted in 2013 by the Australian Election Commission (AEC), with nominations opening on January 17 and closing on February 14. The positions of federal president, federal vice-presidents and Equity delegates to Federal Council were contested. Positions were declared by the AEC on April 23 2013. A full list of officers are found on page 21. Terms are for a period of up to two years.

#### ORGANISING THE UNORGANISED

The future of MEAA depends on our ability to expand into unorganised areas. The areas we have identified are film and television production crew, New Zealand Equity, commercial television and new media, particularly in small- and medium-sized companies.

#### FILM AND TELEVISION PRODUCTION TECHNICIANS

MEAA has been giving priority to membership among film and television technicians as a targeted area for growth. We are seeking to negotiate an updated Motion Picture Production

Agreement that delivers real pay improvements for Australian film and TV workers. At the same time, we have been scoping a campaign to develop an offshore agreement that protects working conditions and reflects global arrangements for the sector.

Alongside this, we continue to work with crew and industry to lobby state and federal governments for improved support for film, particularly by increasing the Location Offset to 30 per cent.

#### NEW ZEALAND EQUITY

The New Zealand Equity branch has been one of the success stories of the past two years. Membership continues to steadily increase. In 2013 NZ Equity reached agreement with the screen producers for a standard contract for performers. Although not enforceable, it marks a significant improvement in the rights of New Zealand performers.

#### SMALL AND MEDIUM-SIZED ENTERPRISES (SMES) IN THE MEDIA INDUSTRY

As the media industry restructures itself we are seeing parallel declines in traditional media, where MEAA has traditionally been strong, and expansion in an emerging media system, largely driven by small- and medium-sized enterprises (sometimes operating within traditional media).

About 3000-4000 people are employed or engaged in this sector. Although we have low density, there is potential to break through with an innovative approach that stresses the range of MEAA activity beyond our pure industrial work.

To create a sense of community in this sector, MEAA launched Media Fuse – a coalition of small organisations and individuals working in the new media spaces. To assist in this work, the media section engaged a campaign co-ordinator to work with the director in establishing a strategy and base in this sector.

#### TARGETING STUDENTS

The Media and Equity sections are working to reach out to final-year students who are making the transition from study to work. This has proved successful in bringing students into the union at the beginning of their careers.

#### CONTINGENT WORK

The trend to contingent work continues, both in the general workforce and within MEAA's industries. Our goal is to confront the challenges this poses by, first, seeking to extend to contingent workers the rights and security of permanent employees and, second, assisting contingent workers to deal with the particular responsibilities their employment status requires.

Areas of contingent workers that have been identified as target areas for growth include:

- Live theatre, including labour-hire companies operating in live theatre and concert sector;
  - Film and television technicians; and,
  - Freelance journalists.
- As part of our campaign to strengthen the unionisation of freelance workers, we have:
- Launched Freelance Pro as a specially serviced category of freelance journalists that provides professional liability and public indemnity insurance;
  - Targeted the Freelance Pro group to identify communications, campaign and other needs of freelance workers;
  - Announced the Freelance Journalist of the Year Walkley award and incorporated the freelance conference into the Walkley Storyology conference.
  - Launched media drinks in Sydney and Melbourne to strengthen community links, particularly with freelance workers.

There is still no progress in talks with the major publishers under the waiver from the Trade Practices Act granted by the Australian Consumer and Competition Commission (ACCC). Our organisation in this area is connected to our campaign in small- and medium-sized media enterprises.

#### COMMERCIAL TELEVISION GUILD

In May 2007, MEAA and the Community and Public Sector Union (CPSU) established the Commercial Television Guild as a joint organising vehicle. Under the agreement, the two unions pooled organising and bargaining resources with existing members of each union also being treated as members of the guild. Organising campaigns in this area have been challenging and the efforts have seen minimal growth over the past five years. The two unions have agreed to review the effectiveness of the Guild.

#### INCREASING MEMBERSHIP IN TRADITIONAL AREAS

##### PERFORMERS

MEAA's Equity section is strengthening the position of performers through professional development training initiatives that focus on skills development for specific streams within the broader industry. These include musical theatre, theatre, comedy and television days. We have launched a professional program in New Zealand and attracted financial support from Creative NZ. We aim to organise to grow around key campaigns over imported artists in both live theatre and film.



Farmer Carl Sudholz inspects a canola crop at his Natimuk property with his daughter Phoebe, 3, Mt Arapiles is pictured in the background. Photo by Paul Carracher

#### LIVE THEATRE

Our Live Theatre section includes front-of-house (FOH) and back-of-house (BOH) crew working in both subsidised and commercial theatre. The membership is dominated by subsidised theatre members where we have collective agreements. Our goal is to deepen our density and activity in subsidised theatre (where we have traditionally been strong) and build confidence and power in commercial theatre. Membership has begun to increase over the past year as we have implemented our campaign plans.

This has also involved major battles in performing arts centres, such as the Sydney Opera House and the Adelaide Festival Centre Trust to protect existing conditions and to win real pay rises.

Commercial theatre crew in NSW continue to fight for a collective agreement to improve conditions. Live Performance Australia has now agreed to negotiate a national template agreement on wages and conditions.

#### MEDIA

Print redundancies have led to a loss of membership in the Media section. More than 1000 jobs were lost between June 2012 and mid-2013, mostly from Fairfax Media and News Corp Australia. Most of those taking redundancy have left or are likely to permanently leave the industry.

MEAA is responding by seeking to build density among the remaining workforce. This has included actions to consolidate agreements at News, with the metropolitan, regional and community agreements brought together with effect from July 1, 2013, for a 12 month transitional agreement.

We are also coordinating a working party of newspaper delegates to develop claims that meet the challenge of change across all newspaper companies.

#### CINEMAS

Over the past five years, our membership among cinema workers has continued to fall. The Fair Work Commission has reviewed the modern awards and will be abolishing the individual company awards and imposing the modern award on the industry. MEAA is currently involved in the review, which the employers are focusing on junior pay rates and flexibility clauses. However, the discrepancies in rates, particularly for junior employees, means we will need to sustain the existing collective agreements.

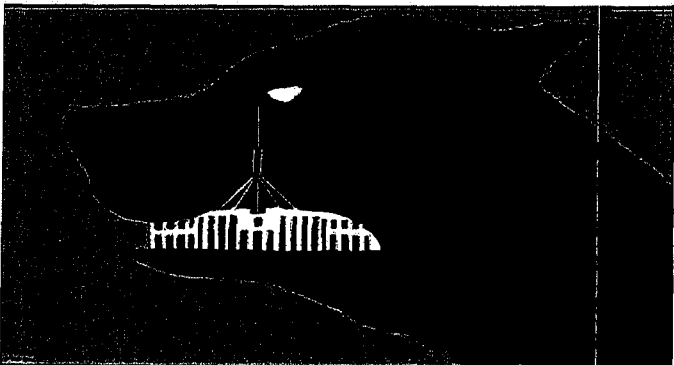
#### OUTDOORS EVENT STAFF

Membership among outdoor workers has remained stable during the year. Our membership is highly casualised with the average member working about one shift a fortnight. There has been a significant effort in Victoria to organise outdoor workers where the bulk of MEAA's membership in this sector is based.

#### MUSICIANS

MEAA has established the Australian Freelance Musicians Alliance (AFMA). This resulted in the introduction of Public Liability Insurance for musician members. MEAA has also worked hard to create engaging and interactive content such as an online survey, a video, an online petition, campaign updates, branded images and other informative and interactive posts. There has been a 5 per cent growth in our musician membership.

The process has not been easy due to the fragmented nature of musicians' working lives. The consistent issue has been the growth of membership during the organiser's tenure. It is anticipated that the Musicians Committee will play a much more hands on role in the future but is still in its infancy.



Artwork by Andrew Dyson



Storm Surfer – A lone surfer walks in solitude as the sky unleashes threatening storm clouds across the ocean's horizon. Photo by Sylvia Liber

## YOUR RIGHTS AT WORK

MEAA has continued to renew and improve collective agreements. As part of this process, where appropriate, we have been attempting to extend coverage and to consolidate agreements within a single employer. In our various target areas for growth, we are seeking to implement appropriate collective bargains or, at least, some form of collective regulation of employment. Through our campaigns in small- and medium-sized enterprises in the media industry, we have developed an agreed charter of rights that can be collectively shaped.

## INFORM OUR MEMBERS ABOUT THEIR RIGHTS AT WORK

To ensure members are adequately informed about their rights at work, we have audited all the information we hold online about various agreements and other working rights. We are also working on a document management system which will ensure that online information will draw off a single set of information which will always be up to date.

As part of the broader staff restructure we are integrating the claims work more effectively with the membership service to remove pressure on organisers in dealing with individual issues.

## ENFORCE OUR MEMBERS' RIGHTS AT WORK CLAIMS

In the 2012-2013 financial year, we recovered the following sums for members:

	2012-2013
Equity	\$30,000
ATAEA	\$167,709
Media	\$704,276
Musicians	\$ 39,962
<b>TOTAL</b>	<b>\$941,947</b>

## COPYRIGHT AGENCY LIMITED

MEAA continues to cooperate with the Copyright Agency to deliver copyright royalties to journalists for photocopying. Malcolm Knox continues as the de facto MEAA representative on the Copyright Agency board.

The agency has implemented a new system of online rights management that will enable freelancers to receive the benefits of the exploitation of their rights. We are working with the Copyright Agency to ensure the rights of journalists are respected and to promote the service among our members, particularly freelance members.

The agency is also coordinating an advertising campaign with MEAA and the major publishers to promote awareness about copyright theft.

## PROTECT SAFETY AT WORK

MEAA has formed a communication protocol with WorkCover NSW. The protocol assists in seeing a timely resolution of health and safety complaints and assists with industry safety awareness campaigns. All Entertainment, Crew & Sport (ECS) section organisers in NSW have been trained and received their work health and safety Right of Entry permits. MEAA has also implemented a Safety Rectification Notice that is completed when organisers attend workplaces and complete safety inspections. The notice is handed to the employer and a copy to WorkCover NSW who follow up to ensure breaches are rectified.

In Sydney, we are training one of our ECS organisers in a Certificate IV in Occupational Health and Safety at the ACTU. This course is aimed to equip our organisers with the skills and knowledge to investigate any suspected breaches of workplace health and safety laws. This is particularly useful in workplaces where there are no MEAA members but where MEAA has previously had coverage.

As part of our review of appropriate insurance coverage for members (made available either as a discount add-on or as part of membership) we are examining whether we can sustain journey coverage in those states where it is excluded by legislation.

## BUILDING BETTER BENEFITS AND EXTENDING SERVICES

### REVIEW AND UPGRADE MEMBER DISCOUNT SERVICES

We have signed up to the Association of Professional Engineers, Scientists and Managers Australia (APESMA) discount service, Member Advantage. This provides discount services to members promoted through a dedicated web page.

### INCREASE SERVICES TAILORED FOR CONTINGENT WORKERS

As part of a general review of appropriate services for contingent workers, MEAA is running a special project on communications and services relevant to this sector. This involves using freelance journalists who have signed up for professional indemnity insurance as a virtual focus group to identify services.

Through this process, we are also examining ways in which we might provide an online "business in-a-box" for contract workers which would provide them with all the paperwork and instruction they need.

We are trialling a package of work-related insurance to all, or some, members. As a first step we have offered a package of professional indemnity and public liability to freelance journalists and public liability to casual musicians. We are also looking at other forms of public liability and professional indemnity as well as journey cover, health incidentals and funeral cover.

### EXTEND AND PROMOTE OUR PROFESSIONAL DEVELOPMENT PROGRAMS

#### WALKLEY AWARDS AND FOUNDATION

The Walkley Foundation continued to be the primary vehicle for MEAA campaigns to raise the status of journalism. The foundation undertakes six key activities:

- Awards schemes
- *The Walkley Magazine*
- Events
- Training
- Student program
- Research

The 57<sup>th</sup> Walkley Awards for Excellence in Journalism were presented at the Great Hall in Parliament House, Canberra, on November 30, 2012, with support from the ACT Government as part of the Centenary of Canberra. The 58<sup>th</sup> Walkley Awards are scheduled for Brisbane on November 28, 2013, with support from Events Queensland.

The Walkley Advisory Board conducted a full review of the Walkley Awards, consequently revising the categories for the 2013 awards to reflect the rapid changes in the media industry.

In November 2012 the National Media Section Committee decided in-principle that the Walkley Foundation be restructured as a not-for-profit company limited by guarantee to provide the potential for greater diversity of funding

and stability for the Walkleys and MEAA. The Committee formally adopted the by-laws in June 2013. The company is fully autonomous and owned by the journalism members of MEAA in accordance with existing governance structures. The company Walkley Foundation Limited was registered in July.

State awards were managed in Queensland, northern NSW (PRODIS), Tasmania, South Australia, Western Australia and the Northern Territory. The Young Journalist of the Year Award continues to grow, helping to identify rising stars.

*The Walkley Magazine – Inside the Media in Australia and New Zealand* was published five times, maintaining its position as Australasia's primary forum for internal discussion of media issues. The magazine prepared to publish its first tablet issue in November 2013.

The 2012 Walkley Media Conference was held in Canberra in November in conjunction with the Walkley Awards, The Public Affairs Conference was held in June, also in Canberra, attracting more than 160 delegates. The Freelance Conference was postponed so that it could be held in conjunction with the 2013 media conference, which was planned for August in Sydney under its new brand, Storyology. The Freelancer of the Year Award was also announced at Storyology 2013.

The Walkley Media Talks to raise the profile of journalism continued in partnership with the State Libraries of NSW and Queensland. The foundation showcased journalists and nominees for the Walkley Book Award at writers' festivals in Sydney, Melbourne, Brisbane, Byron Bay, Shanghai and Ubud, Bali. It also sponsored a panel at the Non-Fiction Now festival in Melbourne.

The photography program continued to expand, with slide nights in Sydney, Melbourne and Brisbane. The photography finalist exhibition toured to Melbourne, Brisbane, Perth, Newcastle and, for the first time, Dubbo. The images were projected onto the AMP Building at Circular Quay in Sydney as part of the Art and About Festival.

Through a partnership with the Antenna Documentary Film Festival, the six long-listed films for the Walkley Documentary Award were screened in Sydney and at the special Stories

from Australia festival in New Delhi.

The foundation co-ordinated the annual fundraising dinner for the Media Solidarity and Safety Fund in Sydney marking World Press Freedom Day, where MEAA's annual report on the state of press freedom in Australia was released.

The foundation continued its industry training program with the support of the Copyright Agency. More than 200 journalists attended courses in social media, blogging and publishing online, photojournalism, magazine writing, productivity tools and more.

The foundation co-ordinated MEAA's program for journalism students, including Media Pass student days in each state and the Media Super Student Journalist of the Year Award.

The foundation contributed to research towards the publication of *A History of Press Photography in Australia* under a grant project with the University of Melbourne, Michael Gawenda and the National Library. This project is due to report in 2015.

### EQUITY FOUNDATION

The Equity Foundation continues to enhance the working lives of Australian and New Zealand performers by investing in programs which help them in their professional endeavours and the communities in which they live. In the last financial year the Equity Foundation hosted more than 100 events. The program was developed in line with a membership survey taken earlier in the year.

The Equity Foundation's masterclasses are designed to address our members' need for ongoing professional development and provide rare opportunities to work with leading directors, coaches and casting directors and visiting overseas guests. The workshop series is an opportunity to work on specifics, such as acting for the camera, comedy, dancing, voiceovers and accents. Up to 20 members work over a three-hour period with an expert in their field.

A workshop at the Equity Foundation's 2012 Casting Hothouse with CBS TV Studio's Matt Skrobalak. Photo by Annette Widitz





Winners at the 2012 Walkley Awards, Parliament House, Canberra. Photo by Adam Hollingworth



Equity meets with students at the Australian Institute of Music

As part of the foundation's *In Conversation* series, performers are given the opportunity to attend an intimate question-and-answer session with leading international actors and directors. This year we heard from Jack Thompson, a live streamed event with US casting directors direct from LA and a panel of industry experts took part in a discussion about the implications of new media for performers at an event hosted in collaboration with Vivid Sydney.

Once again we held the annual Casting Hothouse, and for the first time we brought the event to Auckland. These events gave performers a unique opportunity to work with international casting directors, such as CBS TV Studios' vice-president of talent and casting, Matt Skrobalak, and US feature film casting director Margery Simkin as well as local Australian and NZ casting directors.

Each year the Equity Foundation holds an industry day designed to provide graduates with important information and tools to help them on their way to a successful performance career.

The Equity Lifetime Achievement Award, presented by FOXTEL was launched in 2009 to honour the achievements of a leading Australian performer who has had a distinguished career and been an inspiration to other Australian performers. The Lifetime Achievement Award for 2012 was presented to Ron Haddrick at a ceremony in November.

The Equity Ensemble Awards were introduced in 2011 to honour excellent performances by Australian television ensembles. The 2013 Equity Award winners were honoured at a ceremony in Sydney in June 2013.

- The Equity Award for an Outstanding Performance by an Ensemble in Comedy Series was won in 2013 by *A Moody Christmas*.
- The Equity Award for an Outstanding Performance by an Ensemble in a Drama Series was won in 2013 by *Redfern Now*.
- The Equity Award for Outstanding Performance by an Ensemble in a Mini-Series or Telemovie was won in 2013 by *Devil's Dust*.

In 2013 we embarked on a study on the health and wellbeing of performers together with the drama and psychology department at Sydney University. The data is currently being analysed and we should have some preliminary findings by the end of 2013.

The *equity* magazine continues to be published quarterly and distributed across Australia and New Zealand.

#### BUILD OUR MEMBERS' SUPERANNUATION

MEAA has continued to support Media Super as the industry fund for our members. The union is represented on the Media Super board by the federal secretary and by Gerard Noonan, who is also the chair of the fund. Victorian Branch Secretary Louise Connor is an alternate member of the Board.

MEAA has strengthened its relationship with Australian Super (formerly STA), the fund that applies to most technician members. Australian Super is sponsoring the Walkley All Media: Camera Work Award.

#### TEMPORARY PUBLIC SERVICE EMPLOYEES

In early 2007, the High Court ruled that temporary employees in the public sector were wrongly excluded from the Commonwealth Superannuation Scheme up to 1992. This has a direct impact on MEAA members as all ABC journalists were classed as temporary employees until 1991.

MEAA believes that there could be as much as \$30 million in superannuation entitlements that have been foregone as a result and can be claimed under this decision. We are working with the ABC to identify potential beneficiaries. We expect a decision from the ACT Supreme Court in which will hopefully provide a positive outcome for our members.

#### ME BANK

MEAA has continued to work with ME Bank to promote their services to members. The bank is also supporting MEAA activities and speaking at MEAA meetings.

#### IMPROVE COLLECTION AND DISTRIBUTION OF RESIDUALS

The residual payment process continues to be improved, with MEAA now distributing about 95 per cent of residuals monies received. We are considering how MEAA can be more active in identifying residual obligations, rather than relying on the honesty of producers and distributors. As part of a review of our online presence, we are examining how we can include a search function for members wanting to know if they are entitled to residuals.

## SHAPING OUR INDUSTRIES THROUGH COMMUNICATIONS AND CAMPAIGNS

The media and entertainment industries are experiencing profound change, but strong campaigns continue to support the rights and interests of our members and open up new opportunities for them to inform and entertain.

#### ENGAGE AND ACTIVATE OUR MEMBERSHIP THROUGH CAMPAIGNS

##### MEDIA REGULATION

MEAA has been actively campaigning for a stronger and more coherent system of self-regulation of news media. We strongly opposed the proposal of the former government for a government-backed regulator but supported a stronger Press Council as a one-stop shop for complaints about the news media. This could absorb the existing Press Council's work, complaints that go to ACMA and complaints under our ethics code. This was complicated by the split in the council as a result of the withdrawal of Seven West Media.

##### DIGITAL TRANSFORMATION

The digital revolution continues to reshape both the jobs our members do and the industries they work in. The focus of MEAA activity has been to:

- Implement communications that develop the debate and spread of information within the industry;

- Build the capacity of MEAA officers and staff to understand and respond to the impacts;
- Shape our collective bargaining around the demands of a changing environment; and,
- Shape the emerging industry through training for members and developing policy alternatives.

#### FILM FUNDING

MEAA continues to campaign to win improved film funding. We have supported the continued producers' rebate. We have submitted to the review of the sector that the local rebate (40 per cent) should be more tightly targeted to ensure its cultural goals are met.

We have been working with crew for improvements in the Location Offset which rebates costs for offshore productions. To attract *Wolverine* to Australia, the Gillard Government granted the producers a one-off payment of \$12.8 million, which effectively increases the existing Location Offset to 30 per cent for this feature film. We supported this one-off allowance and continue to campaign for a permanent increase to the Location Offset.

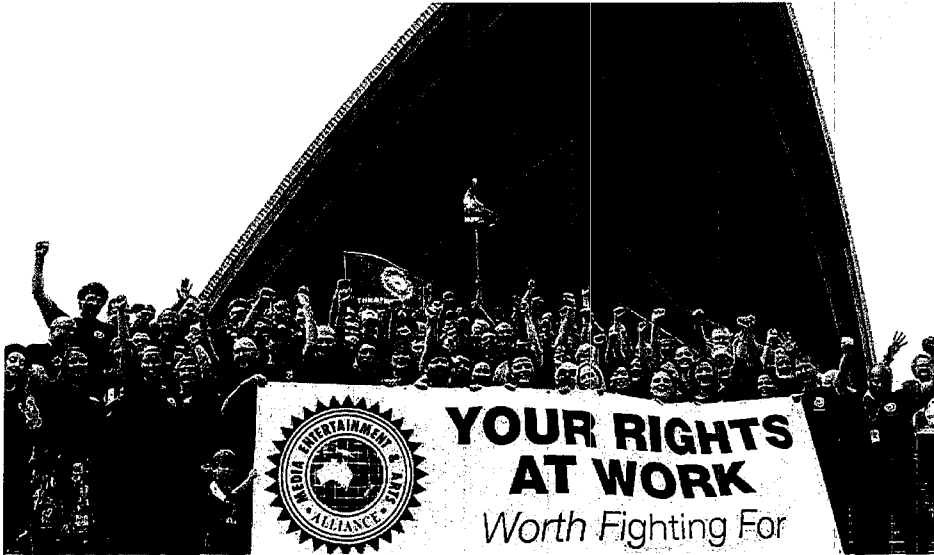
#### PRESS FREEDOM

MEAA has continued its campaign for a free media in a democratic society. This campaign has had five heads:

- Media ownership and diversity;
- Self-regulation;
- Public broadcasting;
- Laws and regulations; and,
- Freedom of information.

Within this broader campaign, MEAA has been focusing on four key issues, with a fifth issue – privacy law – emerging as a matter of importance:

- Anti-terror and surveillance laws: MEAA is making our concerns over the use of surveillance to control journalism a priority. We are seeking a meeting with the new attorney-general to ensure data surveillance concerns are taken up with the privacy review. We are preparing a statement of our position on data surveillance and journalism.
- Protection of sources: During the year at least six members faced court proceedings over their refusal to reveal confidential sources as required by our ethics code. While new laws have provided some protection (and seen some cases dismissed), gaps in the laws combined with inconsistency across jurisdictions have caused uncertainty and distress.
- In April, MEAA wrote to all State and Territory Attorneys-General seeking agreement to uniform legislation applying to all stages of the legal process. The former Attorney-General Mark Dreyfus undertook to refer the matter to the first meeting of the Attorneys after the election. We are seeking meetings with the incoming Attorney-General to encourage him to continue this process.
- Privacy laws: The Australian Law Reform Commission will begin an inquiry into invasions of privacy in the digital era. The revelations about data surveillance have raised some concerns for media members. MEAA has asked the new Attorney-General to ensure the inquiry focuses on data collection and surveillance.
- ABC and public broadcasting: MEAA supported increased funding for both the ABC and SBS



Opera House staff campaign for a fair pay rise

as part of triennial funding review in the 2013 budget. This included sustaining the funding for drama and introducing additional funding for targeted news and current affairs.

**IMPORTED ARTISTS REGULATION (LIVE PERFORMANCE)**

In mid-2012, Live Performance Australia (LPA) announced it would terminate the Agreement Governing the Use of Foreign Artists in Live Theatre in Australia. Without the agreement in place, the only provisions governing the importation of performers and crew in live performance are the 1994 Migration Regulations allowing for the importation of performers where the producers hired front of house staff.

Following a campaign titled "Live Theatre, Local Jobs" which included a petition signed by more than 4000 members and a letter of support signed by more than 100 Helpmann Award winners, Equity was able to bring the LPA back to the table to sign a joint statement where LPA undertook to assist any member or sector that wishes to enter into a sectoral or individual agreement on the use of overseas artists.

Since then Equity has been in negotiations with the Australian Major Performing Arts Group (AMPAG) collection of subsidised companies to negotiate an agreement to govern the use of overseas performers. During 2013 Equity has negotiated with several producers over the importation of performers that would have been problematic under the previous Live Theatre Agreement. The most significant of these have been the UK Jesus Christ Superstar production

supported by Dainty and Scooby Doo Musical Mysteries Tour for Life Like Touring.

Finally, Equity has for the first time negotiated and registered an industrial agreement with wording relating to imported artists. The Disney Performers Collective Agreement commits Disney to undertaking full auditions in Australia and outlines the circumstances in which Disney will import overseas actors limited to those roles where the required performance skills or physical attributes and abilities are unavailable in Australia.

Equity is seeking to have LPA return to the table to sign the Live Theatre Agreement in its current form or a negotiated updated version. As an alternative, we are seeking individual agreements with producers to adhere to the current Live Theatre Agreement. Equity has approached the federal government to consider introducing a scheme similar to the Foreign Actor Certification Scheme for film and television for the live performance industry under the regulations.

**AUSTRALIAN SCREENS, AUSTRALIAN STORIES**

During 2011 and 2012, the Department of Communications conducted a review of the impact convergence will have on the communications and media regulatory environment. The Review's Report was released in mid-2012 and outlined the review committee's broad vision for fundamental change to the regulatory framework for the Australian media landscape and identified key areas for reform. Equity supported the report's findings.

At the end of 2012 and the beginning of 2013, the then Minister for Communications Senator

Stephen Conroy announced the Government's response to the Review. The response was significantly different to the Report, introducing new Australian content rules for the free to air multi-channels (including Go, Gem, 7mate, 7Two, One and Eleven) including:

- a local content requirement for each commercial multichannel of 730 hours in 2013, increasing to 1095 hours in 2014 and to 1450 hours in 2015;
- an incentive for first-release drama by allowing an hour of first release drama premiered on a digital multichannel to count for two hours under the transmission hours requirement for multichannels; and
- introducing greater flexibility into the current arrangements for sub-quotas.

These new rules have been introduced in exchange for a \$142 million a year reduction in licence fees for the commercial television networks.

MEAA, along with other industry groups including the Screen Producers Association of Australia (SPAA), the Australian Directors Guild (ADG) and the Australian Writers Guild (AWG), objected to the new rules on the basis that they would be ineffective, deliver no new Australian drama, documentary or children's content, allow the networks to screen less Australian content on the free to air multi-channels and threaten the sustainability of the Australian production industry. MEAA established the "Australian Screens, Australian Stories" campaign to call on the government to introduce effective Australian content rules. While the changes were ultimately introduced and accepted by Parliament in March, MEAA, with assistance from the Greens,

were however able to garner a commitment to a review of the rules in 12 months' time. The review, while unlikely to be the basis for repeal of the laws will be of assistance in building an argument to improve the regulations.

**CASTING DIVERSITY**

On-screen and on-stage representation remains a significant ongoing issue of concern to Australian performers and Australian audiences. Despite there being a dearth of recent data on the issue, there has long been awareness among performers that, at least anecdotally, the presence on Australian stages and screens of performers from under-represented groups has been far from ideal.

In order to take action in this area our National Performers Committee established the Equity Diversity Committee in May 2013 to help drive and develop industry policies and practices to support diverse casting. The 32 member strong subcommittee includes interested performers drawn from the broader membership to appropriately represent the diversity of the performance community.

The subcommittee is working on plans to examine the state of play with respect to diversity casting and will be developing recommendations with respect to a series of areas where Equity could seek to enact positive change.

**NATIONAL CULTURAL POLICY**

In March, the federal government released its new National Cultural Policy. This was the first comprehensive cultural policy since the Keating Government's *Creative Nation*.

This arose out of widespread consultation going back to 2009. MEAA made repeated submissions, in 2010 and again in 2011. Following the release of a discussion paper in 2011, the government established a reference group to provide feedback on the development of the National Cultural Policy including MEAA federal secretary Christopher Warren.

It is not clear what the new Government's approach to this policy will be.

**ENGAGE AND ACTIVATE OUR MEMBERSHIP THROUGH COMMUNICATIONS**

**MAGAZINES**

MEAA produced magazines for its key section through the 2012-2013 year: *Alliance* for crew, musicians and professional sportspeople; *equity* for performers and *The Walkley Magazine* for journalists, cartoonists, photographers and other media workers. These magazines cater to our members across the union and also function as recruiting tools, targeting potential members and the broader public, with news, commentary, interviews and more and providing a window into life as a MEAA member. In January, the *Alliance* was suspended as part of a review of communications in the Entertainment, Crew & Sport section.

**E-BULLETINS**

The e-bulletin continues to be the principal means of communicating with members. We are planning to relaunch the bulletins in an html format with greater web linkages, including weekly editions of the *Walkley* and *Equity* magazines.

**MEMBERSHIP SURVEYS**

In 2012 we conducted our third biennial membership satisfaction survey. Results of the survey were reported to Federal Council.

**REPORTS AND RESEARCH**

As part of its annual press freedom campaign, MEAA released "Power, Protection & Principles – the state of press freedom in Australia 2013" at the annual press freedom dinner held in Sydney on May 3, 2013. MEAA also launched a campaign web site [www.pressfreedom.org.au](http://www.pressfreedom.org.au) and the Walkley Foundation operated a campaign Facebook page: 30 Days of Press Freedom.

MEAA also works with academics in a number of universities on different aspects of our industries. Among these are a project analysing what happens to journalists made redundant and another on the changing nature of photography in mainstream media.

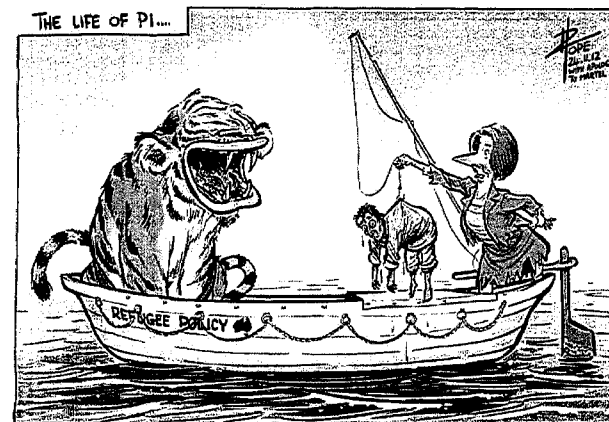
**SUBMISSIONS**

Working in the best interest of our industries we made submissions to the following hearings and inquiries:

- NSW Industrial Relations re: *Entertainment Industry Bill 2013* and Code of Conduct, May 2013
- NSW Industrial Relations and the Treasury, re: *Entertainment Industry Bill 2013*, June 2013
- Senate Standing Committee on Environment and Communications re: *Media Reform Bills Package* March 2013
- Screen Australia, Australian Interactive Games Fund, January 2013
- Senate Standing Committees on Environment and Communications, Information Technology and the Arts RE: Senate Inquiry into the ABC on the matter of regional diversity, January 2013
- NSW Industrial Relations, Re: Draft Code of Conduct in the *Entertainment Industry Act 1989* and *Entertainment Industry Regulation 2004*, October 2012
- Arts for All Queenslanders: Super Star Fund Guidelines, October 2012
- The Parliamentary Joint Committee On Intelligence And Security, Re: Inquiry Into Potential Reforms Of National Security Legislation, October 2012

**MEAA ALSO CONTRIBUTED TO THE FOLLOWING JOINT SUBMISSIONS:**

- House Standing Committee on Social Policy and Legal Affairs and Senate Standing Committee on Legal and Constitutional Affairs Re: *Public Interest Disclosure Bill 2013*, April 2013
- NSW Attorney-General, re: *Courts and Other Legislation Further Amendment Bill 2012* January 2013
- Senate Standing Committees on Environment and Communications, Information Technology and the Arts re: Senate Inquiry into the ABC on the matter of regional diversity, January 2013
- Senate Standing Committee on Legal and Constitutional Affairs re: *Human Rights and Anti-Discrimination Bill 2012*, January 2013
- NSW Attorney-General re: *Courts and Other Legislation Further Amendment Bill 2011*, February 2013



Artwork by David Pope



## MEDIA SAFETY AND SOLIDARITY FUND

The Media Safety and Solidarity Fund is supported by donations from Australian journalists and media personnel to assist colleagues in the Asia-Pacific region through times of emergency, war and hardship. Established in 2005, the fund is a unique and tangible product of strong inter-regional comradeship administered through the Asia-Pacific office of the International Federation of Journalists in collaboration with the MEAA and the Media Safety and Solidarity board.

### NEPAL

Nepal's transition to democracy since a violent coup in 2005 has been nurtured by the hard work of the independent journalism community and journalists' organisations. This transition has come at great personal sacrifice to Nepal's media community, with a number of journalists killed or disappeared since 2001. Many children of journalists have lost one of their parents, and their families struggle to sustain their livelihoods.

During 2012-2013, this fund supported 33 children of journalists and media workers killed in Nepal in assisting meet their education needs with 30 receiving schooling assistance and 3 children receiving vocational training. During the year, a 3 day vacation camp was organised for the children and parents to provide an opportunity for them to meet each other, interact and share their experiences. It provided children with an exposure to the different parts of the country aiming to build their confidence, knowledge and understanding about the Nepali society and its diversity.

### SRI LANKA

The appeal has continued its support for the education of the two children of disappeared cartoonist Prageeth Eknallogoda.

### PHILIPPINES

The massacre of 32 media personnel, among a group of 58, in the southern Philippines on November 2009, is the world's worst single atrocity committed against the media in living memory. The Media Safety and Solidarity Fund has worked closely with the National Union of Journalists of the Philippines (NUJP) over many years to assist in setting up an NUJP Safety Office, which is now supported by the Norwegian journalists' union, Norsk Journalistlag (NJ), with IFJ Asia-Pacific assistance.

The fund has continued its support of children of journalists and media workers killed in the Philippines, including the children of those killed in the 2009 Ampatuan massacre.

### CHINA

The Fund continues to support a press freedom monitoring project in China. Run by IFJ Asia-Pacific, it is jointly funded by the National Endowment for Democracy. The Hong-Kong based media monitor and project coordinator researches and writes background reports, media statements and a regular



Children at a vacation camp held in Chitwan National Wildlife camp in Nepal

monthly e-bulletin in English and Chinese, which are distributed through an international network of China press freedom advocates, journalists and freedom of expression experts developed by the program coordinator.

### IF AP HUMAN RIGHTS ADVOCACY

MEAA hosts the IFJ Asia-Pacific office. The most high profile work is its human rights advocacy work – press releases, reports, lobbying, coordinating campaigns, coordinating missions, providing hands-on consultation for individual journalists in trouble. To help support the office continue this work, the MSSF has committed to directly funding the IFJ human rights advocacy program.

Media Safety & Solidarity Fund	2013	2012
Balance at July 1	313,613	386,987
Funds raised during the year	369,834	36,961
Less payments made during the year		
China project	(36,970)	(13,575)
Nepal CEF	(19,951)	(4,664)
Philippines: Children's Program	(48,173)	(38,630)
Disaster Relief	0	(21,405)
Safety Assistance	(1,500)	(2,061)
IFJ Human Rights Program	(30,000)	(30,000)
<b>Balance at June 30</b>	<b>546,853</b>	<b>313,613</b>

## BE PART OF SOMETHING BIGGER

In this financial year MEAA has consolidated our facilities sharing relationship with the Association of Professional Engineers, Scientists and Managers Australia (APESMA).

We now share a state director in Queensland, Western Australia and Tasmania and have co-located offices in Perth and Brisbane.

We have partnered with Member Advantage to offer a range of discounts and services to our members.

### SUSTAIN FINANCIAL STABILITY

MEAA has worked hard over the past 14 years to ensure its financial stability. As a result, we have annual turnover of about \$10 million and net assets of about \$6 million. The key elements to our strategy of sustaining our financial stability are:

- Ensure we budget for, and achieve, annual surpluses both on accrued and cash basis. Due to declining membership, we fell short in the 2012-2013 year. However, our budget for the 2013-2014 financial year (and our preliminary forecast for 2014-2015) aims to break even. This depends on avoiding any further major deterioration of income as a result of membership decline. These results also depend on using our campaign reserves to fund our growth campaigns.
- Control costs through controlling staff numbers as these are the major component of our expenditure. We continue to monitor our staffing costs, which are currently about 62 per cent of our turnover. The Federal Management Committee is managing an ongoing reduction in staff numbers. During the financial year, head count reduced from 63.5 to 58.4. We are aiming to further reduce to about 52 by the end of this financial year.
- Ensure fees are set at a level that produces the necessary income. We have continued to increase our fees each year in accordance with previous decisions of Federal Council. This is generally in line with increases in average earnings and inflation.
- Hold a sustainability reserve of \$1 million which is held in a separate account and provides a guarantee to our bank and contractors that we can meet our obligations as they fall due.
- Aim to have eliminated all debt by 2014. We have continued to allocate 4 per cent of our fees income to debt reduction. We have now built the sustainability reserve to \$1 million and set aside about \$1 million in an account to cover liabilities for staff annual leave, long-service leave and severance pay. Our major outstanding debt is our mortgage which, on current expectations, we expect to have paid out over the next 18 months.

### BEST PRACTICE UNIONISM

#### REPORTING AND DISCLOSURE TO MEMBERS

The annual report should remain the key tool for reporting and disclosure to members (and to the

world at large) about financial and organisational matters. We continue to aim to make the report as comprehensive as possible.

Elsewhere, we are developing a comprehensive document management system to improve our control of information flow. As part of this we will develop a protocol on which types of documents should be made publicly available, made available only to members, or kept confidential to staff and/or individual committees.

Building on training which we conducted with all members of Federal Council in 2012 on reading financial statements, we will be conducting further approved training with MEAA Officers, to will comply with the recent amendments to the Fair Work (Registered Organisations) Act.

### STAFFING

Wages and conditions of most MEAA staff are regulated by the staff conditions which are set by negotiation with staff. Our fundamental policy in setting conditions is that they should be no better than those we are able to negotiate for members. Wages are adjusted each year by an average of major negotiated agreements.

Remuneration for staff members is set when they commence employment, based on an assessment of skills and experience. An annual review covers salaries, although staff earning up to about \$60,000 (including administrative staff) have access to annual increments subject to satisfactory performance. Any rises require the approval of the federal secretary. Salaries of staff are reported in the annual report in a banding table that compares salaries on a year-on-year basis.

The conditions and annual wage adjustment process apply equally to all elected officers. The salaries of the employed branch secretaries are set by the federal secretary through the performance review process. The exception to this is the director of the Walkley Foundation. Her salary is reviewed by the chair of the Walkley Board from time to time. She is also employed as director of the IFJ Asia-Pacific (The split varies depending on funding and work required).

The salary of the federal secretary is set by the Federal Management Committee based

on an independent review. This occurred most recently in 2008. This demonstrated that the salary was in line with general salary level within the union movement. We reimburse staff travel expenses at the flat level of \$55 per night away from home, unless a staff member is provided with a meal if, for example, he or she is attending an event.

A number of elected officers have family relationships with members of staff. The MEAA federal secretary is the partner of the Walkley Foundation director. The Equity Foundation director is married to a federal council delegate. The sister of the SA/NT branch secretary has been engaged from time to time as an industrial consultant. In all cases the officers do not participate in any decisions concerning the engagement or employment of a family member.

### POLICIES, PROCESSES AND PROCEDURES

Central to best-practice unionism is having clear and understood policies, processes and procedures. In this financial year we conducted a fundamental review of all policies and procedures across the organisation – encompassing finance, human resources, workplace health and safety, workplace practices and governance. We have reviewed our archiving and records management processes, audited our major supplier agreements and commenced a vital project to refresh our brand and improve member communications.

The financial controller compiled a comprehensive set of finance policies and procedures that are fully compliant with the amendments to the Fair Work (Amendment) Act 2013. These finance policies were circulated in May 2013 to the Federal Management Committee, members and staff for comment and discussion. These policies were subsequently adopted by the Federal Management Committee on the September 30 2013.

All other policies were reviewed and we have implemented new or revised policies in workplace health and safety, with other areas in the process of consultation and development. We are improving our processes and building a solid



Nevill the eclectic parrot has survived liver disease, made friends with a dog big enough to inhale him and was lost - then found - after a successful suburb-wide search by his owners. Photo by Craig Wilson

documented policy basis for the union, in which staff and officers are fully trained. New legislative requirements for union governance training of officers fits into the program we began in 2012 with training in reading financial reports for all federal council members.

**HOW MEAA FUNDS ARE HANDLED**

MEAA has processes to ensure that union resources are used in a way that is transparent and accountable. We have zero tolerance for corruption or misuse of funds. Members have a right to be confident that the money they pay in membership fees is being spent appropriately.

Like all unions, MEAA operates under Australian law which provides for the tightest regulation of unions anywhere in the developed world. The law has a series of requirements about the rules of unions, to ensure democratic control of unions by members and financial accountability including annual independent audits. Despite recent publicity, there has not been evidence of any systematic abuse within the Australian trade union movement.

MEAA seeks to operate within both the letter and the spirit of these laws. Specifically, we have processes to ensure that members can retain their confidence in how we operate.

**AUDITS AND REPORTS**

MEAA finances are independently audited within four months of the end of each financial year. The audit report is published in this annual report and made available before the end of November each year. In fact, MEAA publishes to its members more detailed accounts than just about any other union. Some aspects of MEAA operations – such as payments to members of recovered payments – are subject to audit more frequently.

Our finance section prepares regular reports throughout the year that enable the Federal Management Committee to review our income and our expenditure against our budgetary guidelines each month and each quarter.

**TRAINING AND STAFF DEVELOPMENT**

We invest in our staff training and development and provide training resources in key areas, including: mapping of our organisational structure, management of training records and performance reviews; Induction programs for new staff and for appointments to committees and into elected positions; software skills training; communications skills training for enquiry staff; organiser training and development provided by the ACTU, external providers and developed in-house, delegate training and development and compliance programs such as bullying prevention.

Staff development is supported through internal mentoring, ad hoc skills training, continuing professional development (for accounting and legal staff) and attendance at conferences and seminars. Annual reviews include consideration of both training and personal development needs.

**CREDIT CARDS**

Like most similar organisations, we use credit cards issued in the name of specific staff to pay

for costs they necessarily incur in carrying out their duties for MEAA. As an organisation, we will also use these cards to pay various bills, particularly on-line payments that require credit cards. There are many costs we incur that can only conveniently be paid with credit cards.

Each month, each card-holder is required to explain any charges they have made on their card and provide appropriate documentation. These expenses are allocated against the appropriate budget line and authorised by two of the senior officers or staff. No person can be the sole person authorising their own expenditure. All our expenditure is, of course, subject to annual audit. Cards are not be used for personal expenditure or for cash advances.

**THIRD-PARTY CONTRACTS**

MEAA uses third-party contractors for a range of services that cannot be provided in-house. These include auditing, legal costs, printing and publishing, technology support, phones and other communication. Significant one-off costs (such as building renovations) are tendered as they arise. Continuing relationships are reviewed at least every three or five years to determine if they should be put out to tender. Any decision is based on cost and quality. Conflicts of interest between contractors on the one hand and the officers and staff of MEAA on the other are avoided and there are no conflicts in any current relationships.

In November 2012 we reviewed our major external service providers. This review was last conducted by the federal secretary, the general manager and the financial controller with appropriate input from other relevant staff.

As part of such a review, we decide whether to continue with current arrangements, to renegotiate or to tender. If we tender, then we will decide based on cost, quality and range of service, quality of the relationship, commitment to our union and industry and ethical and other considerations.

Such a review will take place every three years unless other events require more frequent review.

**SUSPENDING AND RESIGNING MEMBERSHIP**

- It is the responsibility of members to advise MEAA (in writing) if they cease seeking work in the industry and as soon as they get work again.
- If a MEAA member leaves the industry permanently they must notify MEAA (in writing) and pay all outstanding fees.
- If a MEAA member is still working in the industry and wishes to resign they must notify in writing, giving two weeks' notice of in intention to resign.
- Ceasing payroll deductions does not, of itself, constitute resignation from MEAA.
- If membership is suspended, a member does not pay any fees but may return to active membership as soon as they return to work. Members are not entitled to any benefits of membership while membership is suspended.
- A member must be financial in order to resign.

**FOSTER LINKS LOCALLY AND GLOBALLY**

As a relatively small organisation, MEAA relies on networking and support through affiliating with similar-minded organisations that provide work and services that we cannot provide and that enable us to engage in broader social change.

MEAA has continued its affiliations with all state and territory Labor Councils and with the ACTU. The MEAA representatives on the ACTU Executive are Christopher Warren and Patricia Amphlett.

We are also affiliated internationally to the International Federation of Journalists, the International Federation of Actors (FIA), International Federation of Musicians (FIM) and the media, entertainment and arts global union UNI-MEI, the International Freedom of Expression of Exchange (IFEX) and the International News Safety Institute (INSI).

The IFJ Congress met in Dublin in June. MEAA was represented by media president Stuart Washington and vice-president Philippa McDonald, MEAA federal secretary Christopher Warren, Media director Paul Murphy and Victoria branch secretary Louise Connor. At the congress, the federal secretary was re-elected to the IFJ Executive Committee.

The federal secretary represented the IFJ Executive Committee in Nuremberg in October last year and in Brussels in March 2013. Victorian secretary Louise Connor represented MEAA on the IFJ Constitutional Commission.

The federal secretary also represented MEAA at a joint Asia-Pacific regional meeting of the IFJ and UNI-MEI in Kuala Lumpur in September 2012. In June communications manager Mike Dobbie represented MEAA at an IFEX meeting in Cambodia.

Mal Tulloch, director of the ECS section, attended the UNI-MEI meeting in Paris in October 2012. The FIA Congress took place in Toronto in September 2012. This meeting was attended by the Equity director Sue McCreadie, the Equity president Simon Burke and New Zealand Equity president Jennifer Ward-Lealand. The executive of FIA met in June 2013 in New York and this was attended by Equity director Sue McCreadie and NSW Equity branch secretary Tina Bursill.

Alan Kennedy continues to represent the union on the Australian Press Copyright. MEAA is also affiliated to the Australian Copyright Council, Screen Council and the Right to Know Coalition, as well as to the ALP in South Australia and NSW on behalf of its non-media members. In March 2013, MEAA affiliated with the Australian Athletes Alliance.

**IFJ ASIA-PACIFIC PROJECT OFFICE**

The IFJ Asia Pacific office is hosted by the MEAA Sydney office. Its priorities are:

- Trade union development in the region;
- Press freedom issues in the region; and,
- The safety of journalists.

The IFJ AP runs a range of projects across the region, mainly funded through European or US aid organisations.

MEAA has been co-ordinating talks with other global unions in the media, entertainment and graphical industry about joint work with the possibility of building to a combined regional office and structure.

**COLLECTIVE BARGAINING**

JOURNALISM / MEDIA			
Metro Newspapers and related			
EMPLOYER	EBA	WAGE RISES	EXPIRY
Agricultural Pubs (Rural)	Yes	6.75% over 3 years	30/06/15
AAP Journalists	Yes	10.35% over 3 years	30/06/14
Canberra Times	Yes	12.55% + \$4000 over 3.75 years	30/06/14
Fairfax metros	Cadet-G4	7.95% over 3 years + 0.5 super 2013	30/06/14
	G4-G10 (>150k)	9% over 3 years + 0.75 merit pool in 2013 + 0.5% super 2013	30/06/14
	G10 + (< 150k)	7.95% over 3 yrs + 1.75% merit pool in 2013 + 0.5% super 2013	30/06/14
Fairfax Library Illawarra	Yes	9.27 % over 3 years	30/06/14
Fairfax Library Sydney	Yes	9.27% over 3 years	30/06/14
Fairfax Library Melbourne	Yes	9% over 3 years	31/08/14
News Ltd metros	Yes	2.5% rollover of Agreement for one year	30/06/14
Pagemasters Sub-Editors/Graphics	Yes	CPI + 0.7; CPI + 0.4; and CPI + 0.4% per annum over three years	27/06/16
Pagemasters Data Processing	Yes	1.6% in year one + CPI for years 2 and 3	16/10/15
Private Media	-	First EBA under negotiation	-
West Australian Newspapers	Yes	10.3% over 3 years	30/06/14

Magazines			
EMPLOYER	EBA	WAGE RISES	EXPIRY
ACP (now Bauer)	Yes	EBA Log for new Agreement served	30/10/13
Pacific Publications	Yes	TBC: 1% July 2013; 1.5% Jan 2014; 1.25% July 2014, 1.5% Jan 2015 + super increases	July 2015 TBC
Reed Business Publications	Yes	3% per annum	31/12/13
Thomson Information Services	Yes	2.8% to 3.8% per annum + super over 3 years	31/12/15
Yafa	Yes	7.8% over 3 years (1% more for lower grades)	30/06/15

Regional dailies			
EMPLOYER	EBA	WAGE RISES	EXPIRY
APN Media (14 titles)	Partial	Significant legal dispute re: APN refusal to negotiate new EBAs. Under review.	(31/12/10)
Albury (Fairfax)	Yes	7.50% over 3 years	30/12/14
Bendigo (Rural)	Yes	8.73% over 3 years	30/06/14
Ballarat (Rural)	Yes	6.0% over 3 years	20/11/15
Burnie (Rural)	Yes	2.25% per annum over 3 years	01/07/14
Kalgoorlie (WAN)	Yes	10% over 3 years. New EBA under negotiation.	30/11/13
Launceston (Rural)	Yes	Significant dispute re: salary increase + redundancy. Administrative salary increase of 2% made in November 2012	(01/07/12)
Mildura	Yes	12.5% over 3 years	30/09/15
News Ltd (3 Qld titles + Geelong)	Yes	1 year rollover agreement with 2.5% increase	30/06/14

Regional dailies			
Rural Press (NSW and Mt Isa)	Yes	Negotiations commenced for new EBA	(30/09/13)
Shepparton	N/A		
Warrambool (Fairfax)	Yes	8.74% over 3 years	30/06/14

Regional non-dailies			
EMPLOYER	EBA	WAGE RISES	EXPIRY
Alice Springs, north Qld (News)	Yes	2.5% rollover of EBA for one year	30/06/14
Country Press Industry grouping)	Yes	10.5% over 3 years	31/03/14
COMMUNITY - WA	Yes	5% over 2 years	30/06/15
FCN - NSW	Yes	2% over 1 year	28/11/13
News Ltd (Cumberland/Courier, Quest, Leader, Messenger)	Yes	2.5% increase in one year rollover of EBA	2014

Independents			
EMPLOYER	EBA	WAGE RISES	EXPIRY
Fremantle Herald		9% over 3 years	30/06/15
MMP (Victoria) Formerly FCNW		1% over one year plus merit increase and upgrades for lower-graded staff	30/06/14
Star News Group (Vic)	Yes	9.28% over 3 years	30/06/14

TELEVISION			
EMPLOYER	EBA	WAGE RISES	EXPIRY
ABC	Yes	2.6%, 2.45% and 2.5% in 2013, 2014 and 2015 + super + one-off \$500 payment in 2013.	30/06/16

SBS			
EMPLOYER	EBA	WAGE RISES	EXPIRY
SBS	Yes	9.27 % over 3 years	5/12/14

Commercial television			
EMPLOYER	EBA	WAGE RISES	EXPIRY
Ten Network	Yes	9.27% over 3 years	27/04/14
Seven network	Yes	2.5% per annum incl. super for two years	30/06/15
Nine network	Modern Award	Per FWC determinations	n/a

Pay television			
EMPLOYER	EBA	WAGE RISES	EXPIRY
Nine Adelaide (owned by WIN)	Agreement	New EBA negotiated	
Prime/Southern Cross/NBN/WIN	Modern Award	Per FWC determinations	n/a

Radio			
EMPLOYER	EBA	WAGE RISES	EXPIRY
Foxtel	Enterprise Award	n/a	31/12/13
Sky Racing	EBA	New EBA under negotiation	n/a

Radio			
EMPLOYER	EBA	WAGE RISES	EXPIRY
3CR (Vic)	yes	3.5% per year	31/12/14
Modern Award employers	N/A	Per Fair Work Commission minimum wage increases – as appropriate	N/A

**GOVERNMENT STAFF**

EMPLOYER	EBA	WAGE RISES	EXPIRY
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**ACT Government**

ACT Government	Yes	New EBA under negotiation	(30/5/13)
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**Australian Government**

Australian Government	Yes	Approx 9.27% over 3 years	30/06/14
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**Qld Government**

Qld Government	Yes	Ongoing legal dispute due to State Government legislative changes	(31/07/12)
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**Vic Government**

Ministerial Advisors	No	Employer (Vic Govt) rejects EBA negotiations	n/a
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**Hansard**

Federal Parliament	Yes	13.8 over 3 years	30/06/14
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NSW Parliament	Yes	2.5% over 1 year (pending approval)	30/06/14
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WA Parliament	Yes	12% over 3 years	1/4/2014
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**Media - Advisory**

EMPLOYER	EBA	WAGE RISES	EXPIRY
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EMC	Yes	Equivalent of 3% per annum in one-year rollover	31/07/14
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**Media monitors**

iSentia (formerly Media monitors)	Yes	8.75% over 3 years	30/06/16
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**EQUITY SECTION**

EMPLOYER	EBA	WAGE RISES	EXPIRY
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**Audio visual production**

Advertising Voiceover	Yes	15% over 3 years	1/2/2015
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Actors Television Programs Agreement and	Yes	11.5% for ATPA	1/7/15
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ATTRA		new ATTRA negotiations start October 2013	
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Actors Seven Network Television Programs Agreement and ASTRRA	Yes	11.5% over 3 years (ASTRRA)	31/12/15
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Actors ABC Agreement	Yes		expired
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Actors Feature Film Agreement	Yes	17.5% over 3 years	31/12/014
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AFTRS agreement	Yes	Interim agreement in place	2014
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Offshore Television Repeats and Residuals Agreement	Yes	Per SAG increases	ongoing
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Offshore Feature Film Agreement	Yes	Per SAG increases	ongoing
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Offshore Commercials Agreement		Under review - dispute	
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**Live Performance**

EMPLOYER	EBA	WAGE RISES	EXPIRY
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Australian Ballet (Vic)	Yes	12% over 3 years (4+4+4)	31/1/14
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National Trust Victoria -- Old Melbourne Gaol	Yes	3% per annum	31/08/16
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Opera Australia Certified Agreement	Yes	9.7% over 3 years	31/12/14
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Performers Collective Agreement	Yes	18% and 12% over 3 years	31/12/13
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Sydney Dance Company	Yes	11.5% over 3 years	31/12/13
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West Australian Ballet	Yes	5% over 2 years	31/12/13
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**MUSICIANS**

EMPLOYER	EBA	WAGE RISES	EXPIRY
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Adelaide Symphony Orchestra	Yes	2.2% in June 2013	May 2014
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Australian Opera and Ballet Orchestra	Yes	3% per annum in 2013 and 2014	31/12/14
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Melbourne Symphony Orchestra	Yes	2.2% in May 2013	30/04/14
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Orchestra Victoria	Yes	2.8% in December 2012	(Sept 2013)
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Queensland Orchestra	Yes	1.5% & \$3,000 from March 2012 & 1.5% from August 2012	31/12/12
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Sydney Symphony Orchestra	Yes	2.5% in 2013; 3% in 2014; 3.3% in 2015	31/12/15
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Tasmania Symphony Orchestra	Yes	2.7% per annum	May 2014
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WA Symphony Orchestra	Yes	3% 2013; 3.75% 2014; 2.75% 2015	31/12/15
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**ENTERTAINMENT CREW & SPORT**

WORKPLACE/SECTION	EBA	WAGE RISES	EXPIRY
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**Audiovisual**

Australian Centre for Moving Image	Yes	12.5% over 3 years	01/12/15
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Film Vic	Yes	12.5% over 3 years	031/12/15
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Fremantle Media (Neighbours Crew)		First EBA under negotiation	
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Motion Picture Production	Yes	New Agreement under discussion	(30/06/13)
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Screen Australia	Yes	9% over 3 years	30/06/14
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**Theatre Workers - Arts Centres**

EMPLOYER	EBA	WAGE RISES	EXPIRY
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Adelaide Festival Centre	Yes	9/5/2011	31/10/12
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Geelong Performing Arts Centre	Yes	Under negotiation	(30/09/13)
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Gold Coast Arts Centre	Yes	3% per year over 4 years	20/02/15
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Melbourne Exhibition and Convention Centre	Yes	2.75% per year over 3 years.	04/02/15
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Melbourne Recital Centre	Yes	2.25% per year over 3 years.	30/09/15
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Queensland Performing Arts Centre	Yes	3% per annum over 3 years	31/10/14
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Sydney Convention and Exhibition Centre	Yes	10.5% over 3 years -- transitioning to new owner -- under review	2016
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Sydney Opera House	Yes	New EBA awaiting outcome of challenge to NSW Govt IR Policy	
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Victorian Arts Centre	Yes	13% over 3 years plus 1% performance	30/06/15
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**Theatre Workers**

EMPLOYER	EBA	WAGE RISES	EXPIRY
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AEG Ogden (Perth)	Yes	7.5% to 21% for casuals. CPI for permanent employees	30/06/14
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Belvoir St (NSW)	Yes	9% over 3 years	01/06/14
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City Recital Hall (NSW)	Yes	15.4% over 3 years	30/06/14
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Her Majesty's Theatre Melbourne	Yes	New EBA pending	(01/11/13)
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Marriners Theatre Melbourne	Yes	14.4% over 3 years	01/07/14
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Melbourne Theatre Company	Yes	9.5% over 3 years	31/12/14
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Opera Australia	Yes	Production staff -- 7.5% to 9.7% over 3 years + 20 p.w. extra to base salaries for 2013 and 2014	2014
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Opera Australia non-repertory Production Staff Agreement	Yes	10.5% over 3 years	31/12/14
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State Theatre of SA	Yes	5% over 2 years	11/10/12
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Sydney Theatre Company	Yes	10% over 3 years	31/12/13
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**Cinemas**

Birch Carroll & Coyle	Yes	Discussions with employer progressing re: new EBA	(19/12/12)
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Greater Union	Yes	Discussions with employer progressing re: new EBA	(31/01/12)
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Hoyts	NUA		
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Village	Yes	Currently under negotiation	(01/07/12)
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Independent Cinemas	Modern Award	Per FWC NWC determination	n/a
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Walls cinemas SA	Yes		
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**Outdoors - Sports/Events/Racing**

EMPLOYER	EBA	WAGE RISES	EXPIRES
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Aegis	Yes	FWC NWC Determination	30/06/15
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Alert Venue	Yes	FWC NWC Determination	30/09/15
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Australia Wide Venue & Security	Yes	FWC NWC Determination	01/10/16
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Corporate Venue and Events	Yes	FWC NWC Determination	31/08/15
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Cranbourne Turf Club	Yes	10% backpay + 3% per annum	30/06/16
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MCG	Yes	9.5% over 3 years	01/06/16
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Melbourne and Olympic Parks (MOPT)	Yes	TBC: 11% over 3.5 years	30/06/16
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Melbourne Racing Club (Caulfield, Sandown, Morphington)	Yes	3% per year over 3 years	30/06/15
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Melbourne Stadiums Ltd (formerly Etihad Stadium)	Yes	3% per year over 3 years	20/08/15
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Moonee Valley RC	Yes	8.5% over 3 years	01/08/13
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Racing and Wagering WA	Yes	12% over 3 years	2015
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Reddawn Australia	Yes	FWC NWC Determination	01/04/16
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Southern Cross Security	Yes	FWC NWC Determination	30/11/15
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Sovereign Hill	Yes	Under negotiation	
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SCG/SFS	Yes	7.5% over 3 years	01/10/14
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STC (formerly A/C and STC)	Yes	9% over 3 years	01/03/16
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Thoroughbred Racing Victoria	Yes	3% per annum over 3 years	31/03/15
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VRC	Yes	10.5% over 3 years. New Log of Claims drafted for negotiations	(31/07/13)
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Village Roadshow Theme Parks	Yes	3.25% per year	01/08/13
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**Professional Sports**

EMPLOYER	EBA	WAGE RISES	EXPIRES
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NBL Players	Yes	15% over 3 years on minimum player classification / New EBA under negotiation	(01/07/13)
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NBL Referees	Yes	CPI to max 3.5% for 2012/13 and 2013/14	30/06/14
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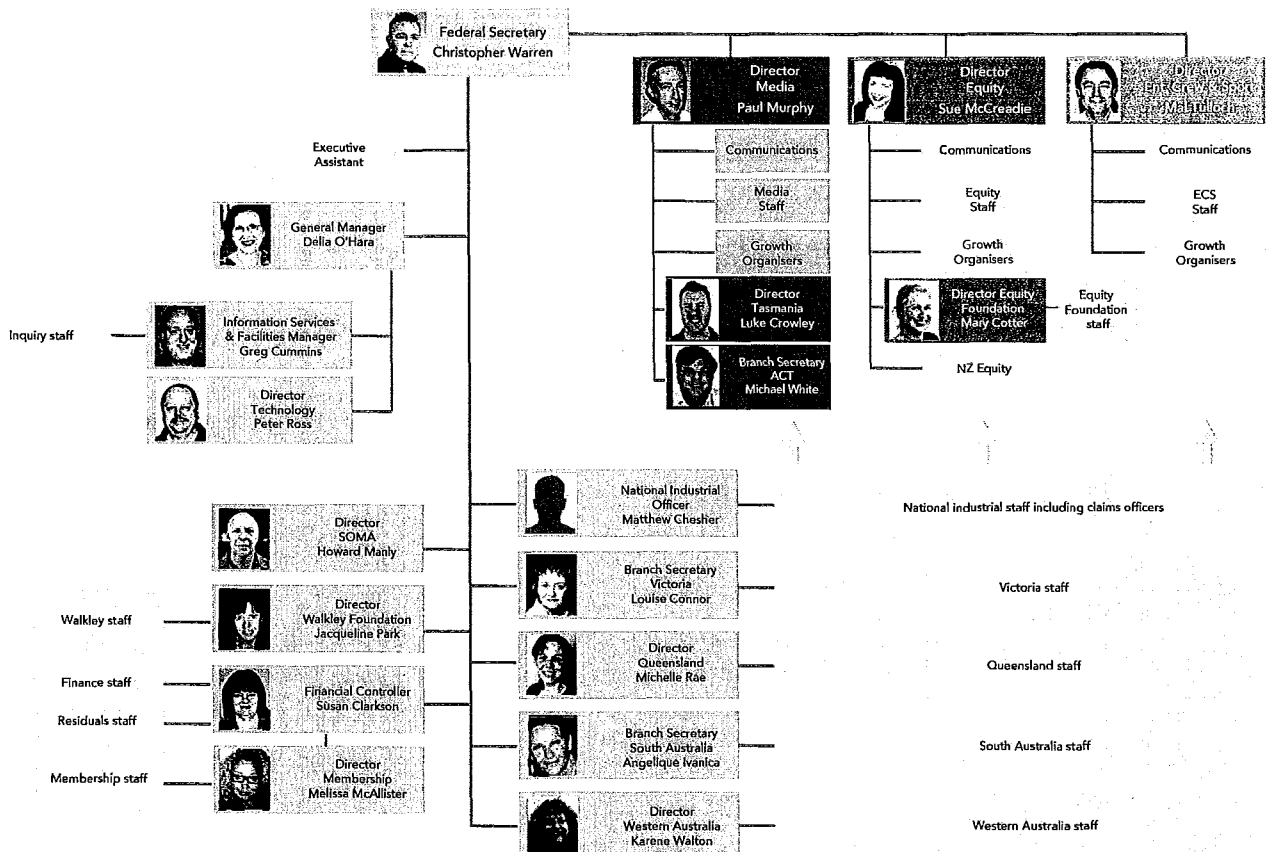
## WHO'S WHO AT MEAA: ELECTED REPRESENTATIVES

The elected representatives of MEAA members come together to form the federal council which meets once a year. The national officers oversee the day to day operations of the union. They meet together about once a month. The members of council from each section come together to form the national section committees (such as National Performers Committee, the Media National Section Committee, the Entertainment, Crew & Sport Committee).

The members of council from each state come together under the state officers to consider matters that affect the union in that state. To ensure adequate representation, MEAA members in Queensland, South Australia, New Zealand and the Australian Capital Territory are also represented by additional branch councillors.

	National	NSW	VIC	QLD	SA/NT	WA	TAS	ACT	GEN
Media	Stuart Washington - federal president Philippa McDonald - federal vice president Gina McColl - federal vice president	Greg Miskelly - branch president Jane Worthington - branch vice president Marcus Strom - branch secretary Amy Cordery Lindsay Foyle Alan Kennedy Seumas Phelan Peter Ryan Jermy Tarran Lagh Tonkin David Higgins Narelle Hooper	Ben Butler - branch vice president Jane Canaway Wayne Flower Dennis Manktelow Alana Schetzer Jeff Waters	Terry O'Connor - branch president Leo Bowman - branch vice-president Trevor Hockins Emily MacDonald Peter McCutcheon Kathy McLeish Joshua Robertson	Samela Harris - branch president Michael Coggan Tim Lloyd	Martin Turner - branch president Victoria Laurie - branch vice president Martin Saxon Emma Wynne	A. Mark Thomas - branch president	Don Cumming - branch president	
Equity	Simon Burke - federal president Coiranne Grant - federal vice president Monica Main - federal vice president	Tina Burrell - branch president Chloe Dallimore - branch vice president Roy Billing Armanda Bishop Mitchell Butel Helen Dallimore Matt Day Glenn Hazeldine Verity Hunt-Ballard Robert Jago Lorna Lesley Jonathan Mill Gus Murray Geoff Morrell Fiona Press Eamon Farren (permanent alternate)	Abbe Holmes - branch president Bert Labonte - branch vice president Robyn Arthur Alan Fletcher Liam McIlwain	Carol Burns - acting branch president Keith Atkinson - branch vice president Jason Klarwein	Patrick Frost - branch president Elizabeth Hay	Stuart Halkus - branch president			Jennifer Ward-Lealand - branch president Jeff Szusterman
ECS	John West - federal president Jacob Holmes - federal vice president	David Turnbull - branch president Milijka Garovic - branch vice president Will Gregory Scott Smith Arthur Spink	Susan Marriott - branch vice-president David Haldon Pat Shaw	Luke Stone - branch president	Ashley Knight - branch president	Matthew Nankivell - branch president	Angela Ratray		
Musicians	Simon Collins - federal president	Leon Gaer - branch president Daren Heinrich	Tania Hardy-Smith			Cameron Brook - branch president			
Elected Officials	Patricia Amphlett - federal president Chris Warren - federal secretary		Louise Connor - branch secretary		Angelique Ivanica - branch secretary			Michael White - branch secretary	

## WHO'S WHO AT MEAA: STAFF



**MEDIA, ENTERTAINMENT & ARTS ALLIANCE**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013**

**26** Federal Secretary's Report 30 June 2013

**27** Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2013

**27** Statement of Financial Position as at 30 June 2013

**28** Statement of Changes in Equity for the year ended 30 June 2013

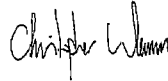
**28** Statement of Changes in Equity for the year ended 30 June 2012

**28** Statement of Cash Flows for the year ended 30 June 2013

**FEDERAL SECRETARY'S DECLARATION**

In the Federal Secretary's opinion:

- the attached financial statements and notes thereto comply with the Australian Accounting Standards – Reduced Disclosure Requirements, other mandatory professional reporting requirements and the Workplace Relations Act;
- the attached financial statements and notes thereto give a true and fair view of the Alliance's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Alliance will be able to pay its debts as and when they become due and payable



Federal Secretary: Christopher Warren  
Dated this the 25<sup>th</sup> October 2013

**SALARY SCALES**

Salary scales of all staff including officers fell into the following bands:

	NUMBER EMPLOYED	
	2011-2012	2012-2013
Under \$20,000	5	3
\$20,000-\$30,000	0	0
\$30,000-\$40,000	5	4
\$40,000-\$50,000	10	9
\$50,000-\$60,000	14	13
\$60,000-\$70,000	10	7
\$70,000-\$80,000	9	11
\$80,000-\$90,000	8	9
\$90,000-\$100,000	6	6
\$100,000-\$110,000	4	8
\$110,000-\$120,000	2	1
\$120,000-\$130,000	5	5
\$130,000-\$140,000	2	1
Over \$140,000	1	1
<b>TOTAL</b>	<b>81</b>	<b>78</b>

**MEETINGS OF MEAA MANAGEMENT COMMITTEE**

The number of meetings attended by members of the Media, Entertainment & Arts Alliance's Management Committee during the year ended 30 June 2013 were:

Name	Attended	Eligible
Patricia Amphlett	11	11
Stuart Washington	7	8
Simon Burke	5	10
John West	10	11
Simon Collins	9	11
Mitchell Butel	4	6
Monica Main	3	7
Gina McColl	6	10
Corinne Grant	1	3
Jacob Holmes	2	3
Philippa McDonald	2	3
Christopher Warren	11	11

**FINANCIAL REPORT**

Income decline as a result of job losses in the media section saw MEAA turn in a loss for the 2012-2013 financial year, although action to rein in costs reduced the impact of the income decline.

Despite the annual increase in fees, income from membership fees dropped by 3 per cent or about \$244,000 on the previous year, to about \$8,463,000. The income falls hit the Media section and the Equity section where income fell as a result of a decline in fees from foreign artists and fees paid on residual payments. Income from the Entertainment, Crew & Sport section was up marginally, reflecting a strong focus on organising and recruitment in the section.

This current financial year is expected to be one of transition as job losses continue to feed into MEAA income. As a result, the reserves we have been able to build out of our repeated surpluses of the past few years will be necessary to sustain the union through the current transition.

The Walkley Foundation again delivered a surplus about \$56,000 of on a turnover of \$1,729,000. The Walkley surplus is consolidated in the Walkley reserve. After the end of the financial year, the Media National Section Committee decided to establish the Walkleys as a not-for-profit company limited by guarantee. As a result, a balance sheet for the Walkleys has been included in the MEAA accounts, although the assets and liabilities remain consolidated in the MEAA balance sheet.

The fall in residual payments resulted in a fall in administration fees. The fall in interest fees also resulted in reduced interest income for the Equity Trust. These two sources fund the operation of the trust and, as a result, the trust made a loss which was funded from the Equity Foundation. The resulting loss by the Equity Foundation was funded by drawing down on the Equity Foundation reserve.

Staff remained the major cost for MEAA. At the end of the financial year, the MEAA employed 78 staff either full-time or part-time, down from 81 at the beginning of the year. Full-time equivalent staff was up about 74.9 at June 30, up from 67.6 over the 12 months. The increase was due to most previously vacant positions being filled.

Staff costs, however, were up as higher usual staff turnover during the previous financial year had meant savings through vacancies. Reduced turnover this year meant fewer positions were vacant for any period of time.

To sustain the union, this figure will reduce to 71.7 by the end of 2013 and, in necessary, 67.6 by the end of the 2013-14 financial year. We are also reviewing all non-staff costs including telecommunications, travel, communications and printing with a view to reducing costs to break-even this financial year and next.

Staff wages (including wages of elected employed officers) were adjusted during the year under a pay agreement that extends to staff rises that reflect the average rises under MEAA-negotiated agreements. This involved a rise of 3 per cent on July 12, 2012 and a rise of 2.75 per cent July 1, 2013.

Staff stability saw provisions for untaken annual leave and long service leave increase to about \$1,071,000. However, this remains covered by the real cash provision set aside for staff entitlements which remains sufficient to cover all entitlements of about \$1.03 million

The mortgage over MEAA properties was reduced during the year, to \$591,000 underpinned by properties in Sydney, Melbourne and Adelaide with a book value of about \$4.4 million and a commercial valuation of about \$6.1 million.

Out net assets are now about \$6.7 million with a turnover of about \$11.5 million. Our working capital (the difference between current assets and current liabilities) is about \$2.14 million, in line with our goal to have working capital of about 20 per cent of turnover.

**SUMMARY OF FINANCIAL RESULTS**

Details of budget 2013-2014 and Actuals for the previous nine years:

	2013-2014	Actual								
	Budget \$	2012-2013 \$	2011-2012 \$	2010-2011 \$	2009-2010 \$	2008-2009 \$	2007-2008 \$	2006-2007 \$	2005-2006 \$	2004-2005 \$
<b>Total income</b>	11,508,500	11,725,084	11,915,332	10,991,799	10,480,906	11,039,723	10,706,162	9,913,677	9,010,401	7,655,953
<b>Total costs</b>	(11,399,800)	(11,900,586)	(11,437,707)	(10,226,481)	(9,143,369)	(10,230,635)	(9,931,254)	(9,470,269)	(8,753,424)	(7,394,694)
<b>Surplus</b>	108,700	(175,503)	477,625	765,318	1,337,537	809,088	774,908	443,408	256,977	261,259
<b>Stability Reserve</b>	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,017,514	958,496	725,237
<b>Fighting Fund Reserve</b>	1,400,000	1,365,474	1,365,473	1,288,099	1,024,801	554,617	254,905	0	0	0



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 Australia

**INDEPENDENT AUDITOR'S REPORT**

To the members of Media Entertainment Arts & Alliance

**Report on the Financial Report**

We have audited the accompanying financial report of Media Entertainment Arts & Alliance, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Federal Secretary's declaration.

**Federal Secretary's Responsibility for the Financial Report**

The Federal Secretary is responsible for the preparation of the financial report that gives a true and fair view in accordance with *Australian Accounting Standards - Reduced Disclosure Requirements and Fair Work (Registered Organisation) Act 2009*, and for such internal control as the Federal Secretary determine is necessary to enable the preparation of the financial report that gives a true and fair view and 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 about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

**Independence**

In conducting our audit, we have complied with the independence requirements of the *Fair Work (Registered Organisation) Act 2009*. We confirm that the independence declaration required, which has been given to the Federal Secretary of Media Entertainment Arts & Alliance, would be in the same terms if given to the Federal Management Committee members as at the time of this auditor's report.

BDO East Coast Partnership ABN 63 236 989 726 is a member of a national association of independent entities which as a member of BDO (Australia) Ltd ABN 177 350 110 225, an Australian company limited by guarantee. BDO East Coast Partnership and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.



**Opinion**

In our opinion:

- (a) the financial report of Media Entertainment Arts & Alliance is in accordance with the *Australian Accounting Standards - Reduced Disclosure Requirements*, including:
  - (i) giving a true and fair view of the entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Fair Work (Registered Organisation) Act 2009*.

BDO East Coast Partnership

Grant Saxon  
 Partner

Sydney, 25 October 2013

**DECLARATION OF INDEPENDENCE BY GRANT SAXON TO THE MEMBERS OF MEDIA ENTERTAINMENT ARTS & ALLIANCE**

As lead auditor of Media Entertainment Arts & Alliance for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Fair Work (Registered Organisation) Act 2009* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect Media Entertainment Arts & Alliance during the period.

Grant Saxon  
 Partner

BDO East Coast Partnership  
 Sydney, 25 October 2013

**FEDERAL SECRETARY'S REPORT 30 JUNE 2013**

On 25th October 2013 the Committee of Management of the Media, Entertainment & Arts Alliance (the "Alliance") passed the following resolution in relation to the general purpose financial statements (GPFS) of the reporting unit for the financial year ended 30 June 2013:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar for section 253 of the Registration and Accountability of Organisations (RAO) schedule
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Alliance will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFS relates and since the end of the year;
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - (iv) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
  - (v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- (f) in relation to recovery of wages activity:
  - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
  - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
  - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
  - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
  - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

**Significant change in State of Affairs**

There has been no significant change in the Alliance's financial affairs or state of affairs during or since the end of the financial year.

**Board fees**

Fees paid to Alliance employees (including employed officers) for sitting on boards or committees are remitted to the union. Specifically in relation to superannuation, we nominate two board members and one alternate board member to our industry fund, Media Super. The federal secretary is one of the two board members and our Victoria branch secretary, Louise Connor, is our alternate. All our fees (general board fees and sitting fees) are paid to the union. The federal secretary's director fee from Media Super for the period 1 July 2012 to 30 June 2013 of \$36,245 was paid to the Alliance. The policy of Media Super is to set board fees each year at the level of the bottom 25 per cent of industry funds to ensure it acts as a low-cost fund. These are published in the fund's annual report.

Our other nominee is not employed by the union and, as the time he spends on superannuation matters is time he cannot earn any other income, his fees are paid directly to him as compensation for time spent representing union members.

No Alliance officers are currently members of any government appointed board that attracts remuneration other than reimbursement of expenses.

**Staff remuneration**

Wages and conditions of most Alliance staff are regulated by the staff conditions which are set by negotiation with staff. Our fundamental policy in setting conditions is that they should be no better than those we are able to negotiate for members. Wages are adjusted each year by an average of major negotiated agreements.

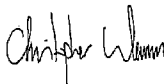
Remuneration for staff members is set when they commence employment, based on an assessment of skills and experience. An annual review covers salaries, although staff earning up to about \$60,000 (including administrative staff) have access to annual increments subject to satisfactory performance. Any rises require the approval of the federal secretary. Salaries of staff are reported in the annual report in a banding table that compares salaries on a year-on-year basis.

The conditions and annual wage adjustment process apply equally to all elected officers. The salaries of the employed branch secretaries are set by the federal secretary through the performance review process. The exception to this is the director of the Walkley Foundation. Her salary is reviewed by the chair of the Walkley Board from time to time.

The salary of the federal secretary is set by the Federal Management Committee based on an independent review. This occurred most recently in 2008. This demonstrated that the salary was in line with general salary level within the union movement. We reimburse staff travel expenses at the flat level of \$55 per night away from home, unless a staff member is provided with a meal if, for example, he or she is attending an event.

**Events after the reporting Date**

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



For Committee of Management: Christopher Warren  
 Title of Office held: Federal Secretary  
 Dated this 25 day of October 2013

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013**

Note	2013 \$	2012 \$
<b>REVENUE</b>		
2	11,725,083	11,915,332
<b>EXPENDITURE</b>		
3	(260,923)	(221,393)
3	(80,010)	(104,629)
3	(7,550,051)	(6,844,079)
	(568,735)	(635,538)
3	(379,285)	(275,415)
	(180,633)	(192,440)
	(153,393)	(167,130)
	(328,000)	(436,012)
	(503,304)	(506,076)
	(299,884)	(320,074)
	(891,248)	(1,005,220)
	(705,120)	(729,701)
	<b>(11,900,586)</b>	<b>(11,437,707)</b>
	<b>(175,503)</b>	<b>477,625</b>
	<b>Income tax expense</b>	<b>-</b>
	<b>(175,503)</b>	<b>477,625</b>
	<b>(Loss) / surplus after income tax expense attributable to the members of Media, Entertainment &amp; Arts Alliance</b>	<b>477,625</b>
	<b>Other comprehensive income for the year (net of tax)</b>	<b>-</b>
	<b>Total comprehensive income for the year attributable to the members of Media, Entertainment &amp; Arts Alliance</b>	<b>477,625</b>

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013**

Note	2013 \$	2012 \$
<b>ASSETS</b>		
<b>Current assets</b>		
5	4,589,917	4,729,381
6	811,710	844,712
7	283,874	204,044
	<b>5,685,501</b>	<b>5,778,137</b>
<b>Non-current assets</b>		
8	18,608	16,180
9	4,625,746	4,692,892
	<b>4,644,354</b>	<b>4,709,072</b>
	<b>TOTAL ASSETS</b>	<b>10,489,209</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
10	885,979	764,300
11	591,173	1,091,173
12	929,087	938,650
13	1,139,941	845,477
	<b>3,546,180</b>	<b>3,639,600</b>
<b>Non-current liabilities</b>		
12	142,019	30,450
	<b>142,019</b>	<b>30,450</b>
	<b>TOTAL LIABILITIES</b>	<b>3,670,050</b>
	<b>NET ASSETS</b>	<b>6,819,159</b>
<b>EQUITY</b>		
	4,244,972	4,620,534
	2,396,684	2,196,625
	<b>6,641,656</b>	<b>6,817,159</b>

The accompanying notes form part of the financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

2013	Stability Reserve \$	Fighting Fund \$	Equity Foundation Reserve \$	SOMA Reserve \$	Walkley Foundation Reserve \$	Campaign Reserve \$	Special Leave Reserve \$	Property and Mortgage Reserve \$	Retained Earnings \$	Total \$
Balance at 1 July 2012	1,000,000	1,365,474	483,964	65,442	316,249	701,453	215,000	472,952	2,196,625	6,817,159
Net (deficit) attributable to members of the entity	-	-	-	-	-	-	-	-	(175,503)	(175,503)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income attributable to the members	-	-	-	-	-	-	-	-	(175,503)	(175,503)
Transfers to and from reserves	-	-	-	-	-	-	-	-	-	-
- Fighting Fund	-	(862)	-	-	-	-	-	-	862	-
- Stability Reserve	-	-	-	-	-	-	-	-	-	-
- Equity Foundation Reserve	-	-	(102,143)	-	-	-	-	-	102,143	-
- Special Leave Reserve	-	-	-	-	-	-	85,000	-	(85,000)	-
- SOMA Reserve	-	-	-	52,440	-	-	-	-	(59,440)	-
- Walkley Foundation Reserve	-	-	-	-	55,955	-	-	-	(55,955)	-
- Property and Mortgage Reserve	-	-	-	-	-	-	-	(472,952)	472,952	-
Balance at 30 June 13	1,000,000	1,364,612	381,821	124,882	372,204	701,453	300,000	-	2,396,684	6,841,656
Supported by separate bank account	1,022,010	835,832	112,134	-	112,134	-	-	-	-	2,082,110

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

2012	Stability Reserve \$	Fighting Fund (strike) \$	Equity Foundation Reserve \$	SOMA Reserve \$	Walkley Foundation Reserve \$	Western Australian Journalists Reserve \$	Campaign Reserve \$	Special Leave Reserve \$	Property and Mortgage Reserve \$	Retained Earnings \$	Total \$
Balance at 1 July 2011	1,000,000	1,288,099	475,621	52,171	259,814	-	701,453	215,000	150,000	2,197,376	6,339,534
Net surplus attributable to members of the entity	-	-	-	-	-	-	-	-	-	477,625	477,625
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income attributable to the members	-	-	-	-	-	-	-	-	-	477,625	477,625
Transfers to and from reserves	-	-	-	-	-	-	-	-	-	-	-
- Fighting Fund	-	69,576	-	-	-	-	-	-	-	(69,576)	-
- Stability Reserve	-	7,799	-	-	-	-	-	-	-	(7,799)	-
- Equity Foundation Reserve	-	-	8,343	-	-	-	-	-	-	(8,343)	-
- SOMA Reserve	-	-	-	13,271	-	-	-	-	-	(13,271)	-
- Walkley Foundation Reserve	-	-	-	-	56,435	-	-	-	-	(56,435)	-
- Property and Mortgage Reserve	-	-	-	-	-	-	-	322,952	(322,952)	-	-
Balance at 30 June 2012	1,000,000	1,365,474	483,964	65,442	316,249	-	701,453	215,000	472,952	2,196,625	6,817,159
Supported by separate bank account	1,000,000	785,758	107,799	-	107,799	-	-	-	-	-	2,001,356

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>Cash flows from operating activities:</b>			
Receipts from members and sponsors (inclusive of GST)		12,470,461	12,039,891
Payments to suppliers and employees (inclusive of GST)		(12,177,385)	(12,119,522)
Interest received		341,247	458,740
Finance costs		(80,010)	(104,629)
<b>Net cash provided by operating activities</b>	14	<b>554,313</b>	<b>274,480</b>
<b>Cash flows from investing activities:</b>			
Acquisition of property, equipment and vehicles	9	(193,777)	(178,756)
<b>Net cash used in investing activities</b>		<b>(193,777)</b>	<b>(178,756)</b>
<b>Cash flows from financing activities:</b>			
Repayment of borrowings		(500,000)	-
<b>Net cash used in financing activities</b>		<b>(500,000)</b>	<b>-</b>
<b>Net (decrease) / increase in cash held</b>		<b>(139,464)</b>	<b>95,724</b>
Cash and cash equivalents at beginning of year		4,729,381	4,633,657
<b>Cash and cash equivalents at end of financial year</b>	5	<b>4,589,917</b>	<b>4,729,381</b>

The accompanying notes form part of the financial statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Media, Entertainment & Arts Alliance (the "Alliance") is an entity created under the Fair Work (Registered Organisations) Act 2009, registered and domiciled in Australia.

The financial statements of the Alliance comply with the Australian equivalents to International Financial Reporting Standards (AIFRS) as they relate to not-for-profit entities, and the reduced disclosure regime.

Adoption of new and revised accounting standards

The Alliance has adopted all of the new, revised or 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.

Any significant impact on the accounting policies of the Alliance from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Alliance.

The following Accounting Standards and Interpretations are most relevant to the Alliance:

AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income

The Alliance has applied AASB 2011-9 amendments from 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The amendments also introduced the term 'Statement of profit or loss and other comprehensive income' clarifying that there are two discrete sections, the profit or loss section (or separate statement of profit or loss) and other comprehensive income section.

Accounting standards and interpretations issued but not yet effective

Certain new accounting standards, amendments to standards and interpretations have been published that are not mandatory for the 30 June 2013 reporting period. The Alliance's assessment of the impact of these new standards, amendments to standards and interpretations in the period of initial application is set out below.

AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2015 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The Alliance will adopt this standard from 1 July 2015 but the impact of its adoption is yet to be assessed by the Alliance.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the Alliance from 1 July 2013 should be minimal.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

This revised standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments eliminate the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring re-measurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The amendments also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. This will require annual leave that is not expected to be wholly settled within 12 months to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken. The adoption of the revised standard from 1 July 2013 is expected to reduce the reported annual leave liability and increase disclosures of the Alliance.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 July 2013 has removed the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements will be included in the Fair Work Act or other legislation, it is expected that the amendments will not have a material impact on the Alliance.

AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132]

These amendments are applicable to annual reporting periods beginning on or after 1 January 2013. This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard. The Alliance has adopted this standard from 1 January 2013 but the impact of its adoption is yet to be assessed by the Alliance.

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

Basis of Preparation

Reporting Basis and Conventions

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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.

Accounting Policies

(a) Property, Equipment and Vehicles

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

Property

Freehold land and buildings are measured at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. It is the policy of the Federal Management Committee to obtain a valuation every 3-5 years.



**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equipment and Motor Vehicles**

These are measured on the cost basis less depreciation and impairment losses. The carrying value is reviewed annually by the Federal Management Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the depreciated replacement cost of the asset or net cash flows that will be received from the assets' subsequent disposal.

**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Alliance 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:

<i>Buildings</i>	2.5%
<i>Equipment and Motor Vehicles</i>	10-50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

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

**(b) Impairment of Assets**

At the end of each reporting period, the Alliance reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Alliance 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 a class of assets, the Alliance estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

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

**(c) Financial Instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Alliance becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Alliance commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

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

**Classification and subsequent measurement**

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

*Amortised cost* is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of

the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and (iv) less any reduction for impairment.

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

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

**Available-for-sale financial assets**

These include any financial assets not included in the above categories. They are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to the Statement of Comprehensive Income.

They are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets. Changes to fair value are taken directly to the Statement of Comprehensive Income.

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**Fair value**

This is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**Impairment**

At each reporting date, the Alliance assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

**Derecognition**

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

**(d) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

**(e) Employee Benefits**

Provision is made for the Alliance's liability for employee benefits arising from services rendered by employees to the reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Long service leave**

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**(f) Provisions**

These are recognised when the Alliance has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**(g) Revenue**

This is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Grant revenue is recognised in the statement of comprehensive income when it is expended. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the statement of financial position as a liability until such conditions are met or services provided.

Donations are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as deferred income in the statement of financial position until expended. Membership subscription income has been accounted for on a mix of cash and accruals basis. Membership subscriptions outstanding at the reporting date have been brought to account as receivables where subscriptions are paid by the members' employers through salary deductions. All other membership subscriptions due to be paid are recognised when received. Membership income is deemed earned in the year to which it relates. Membership subscriptions relating to the unexpired part of the membership year are deferred and recognised as income in the next financial year. Interest revenue is recognised when received. Dividend revenue is recognised when the right to receive a dividend has been established. All revenue is stated net of the amount of goods and services tax (GST).

**(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 or the New Zealand Inland Revenue. 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.

**(i) Income Tax**

The Alliance is an income tax exempt entity under item 1.7 section 50-5 of the Income Tax Assessment Act 1997.

**(j) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Alliance prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**(k) Borrowings**

These are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. They are removed from the statement of financial position when the obligation specified in the contract

is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses. They are classified as current liabilities unless the Alliance has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**(l) Foreign Currency Transactions and Balances**

The financial statements are presented in Australian dollars which is the Alliance's functional and presentation currency and rounded to the nearest dollar.

**Transaction and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction.

Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

**(m) Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

**(n) Comparative Figures**

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

**(o) Critical accounting estimates and judgments**

The Federal Management Committee evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Alliance.

**Key estimates - Impairment**

The Alliance assesses impairment at each reporting date by evaluating conditions specific to the Alliance that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. No impairment has been recognised.

**NOTE 2: REVENUE**

	2013 \$	2012 \$
Operating activities		
- Subscriptions and fees	8,463,359	8,706,984
- Grants, sponsorships and events income	1,887,838	1,751,244
- Interest from financial institutions	341,247	458,740
- Rental income	130,515	98,493
- Sundry income	902,124	899,871
<b>Total Revenue</b>	<b>11,725,083</b>	<b>11,915,332</b>

**NOTE 3: SURPLUS OR DEFICIT FROM ORDINARY ACTIVITIES**

	2013 \$	2012 \$
Surplus or Deficit from ordinary activities has been determined after charging the following expenses:		
Finance costs		
- Financial institutions	80,011	104,629
Depreciation of non-current assets, including equipment and vehicles	96,183	64,309
Amortisation of non-current assets		
- leasehold improvements	164,740	157,084
<b>Total Depreciation</b>	<b>260,923</b>	<b>221,393</b>
Affiliation fees		
- International	90,501	83,411
- Other	288,784	192,004
<b>Total affiliation fees</b>	<b>379,285</b>	<b>275,415</b>
Legal fees	129,418	86,159
Donations	2,673	19,697
Honoraria	26,464	35,099
Audit fee	39,000	59,000
Other services provided by auditors (Equity Trust quarterly residuals audit, FBT review)	27,500	-
Rental expense on operating leases	146,807	107,795
Employee benefits to Staff		
- salaries	5,249,935	4,707,884
- annual leave	490,348	365,908
- long service leave	52,446	25,927
- redundancies	42,491	288,766
- superannuation	677,292	684,507
- benefits	166,083	125,416
- other employee costs	871,456	645,671
<b>Total Employee Benefits to Staff</b>	<b>7,550,051</b>	<b>6,844,079</b>

**NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION**

**(a) Key Management Personnel**

Names and positions held of key management personnel in office at any time during the financial year are:  
Christopher Warren Federal Secretary

**(b) Key Management Personnel Compensation**

	Position	Salary \$	Super-annuation \$	Termination benefits \$	Total \$
C Warren	Federal Secretary	144,222	25,000	-	169,222
<b>All Other KMP</b>		-	-	-	-
<b>Total 2013</b>		<b>144,222</b>	<b>25,000</b>	<b>-</b>	<b>169,222</b>
<b>Total 2012</b>		<b>159,575</b>	<b>63,156</b>	<b>177,691</b>	<b>438,222</b>

Total Key Management Personnel Compensation for 2012 includes the remuneration of the former assistant federal secretaries Simon Whipp (left 31 December 2011) and Mark Ryan (died 10 December 2111).

**NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)**

**(b) Key Management Personnel Compensation (continued)**

**Federal Management Committee**

Each of the following persons were members of the Federal Management Committee during the year:

Name	Position
C Warren	Federal Secretary
P Amphlett	Federal President
S Burke	Federal President (Actors Equity)
S Collins	Federal President (Musicians)
J West	Federal President (ATAEA)
S Washington	Federal President (Media)
C Grant (from 29 <sup>th</sup> April 2013)	Federal Vice-President
J Holmes (from 29 <sup>th</sup> April 2013)	Federal Vice-President
M Main	Federal Vice-President
G McColl	Federal Vice-President
P McDonald (from 29 <sup>th</sup> April 2013)	Federal Vice-President
M Butel (until 29 <sup>th</sup> April 2013)	Federal Vice-President

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

C Warren's remuneration is included in Note 4(b) above. All other members of the Federal Management Committee and some honorary officers are entitled to receive an honorarium.

Position	Honorarium \$	Number
Federal President	4,000	1
Section Presidents	2,000	4
Federal Vice Presidents	700	3 (5 from 29 April 2013)
Branch Presidents	1,300	8
Honorary Branch Secretaries	1,300	2 (QLD lapsed 29 April 2013)

Total honoraria for the year to 30 June 2013 was \$26,464 (2012: \$35,099).

**Board fees**

Fees paid to Alliance employees (including employed officers) for sitting on boards or committee are remitted to the Alliance. Specifically, the federal secretary is one of the two board members nominated to the board of Media Super (Our other nominee is not employed by the union) and the Victoria branch secretary, Louise Connor, is nominated as an alternate. All fees received on behalf of Mr Warren and Ms Connor, which are general board fees and sitting fees, are paid directly to the Alliance. The policy of Media Super is to set board fees each year at the level of the bottom 10 per cent of industry funds. In the year to 30 June 2013, these fees were \$36,245 (inc. GST) (2012: \$17,000) on behalf of the federal secretary.

**Other Elected Officials Compensation**

Details of the remuneration of the elected officials of the Alliance are set out in the following table.

Name	Position	Salary \$	Super-annuation \$	Termination benefits \$	Total \$
M White	ACT Branch Secretary	64,683	24,999	-	89,682
L Connor	VIC Branch Secretary	117,045	14,564	-	131,609
A Ivanica	SA Branch Secretary	105,311	11,820	-	117,131
*M Strom	NSW Branch Secretary	101,952	10,195	-	112,147
*J Worthington	NSW Branch Vice-President (Media)	21,726	2,343	-	24,069
*C Page	SA Branch Vice-President (until 29 April 2013)	6,462	646	-	7,108
<b>Total 2013</b>		<b>417,179</b>	<b>66,011</b>	<b>-</b>	<b>483,190</b>

\*Honorary officers temporarily seconded to employment with the Alliance

**NOTE 5: CASH AND CASH EQUIVALENTS**

	2013 \$	2012 \$
Cash on hand	5,662	10,446
Cash at bank	4,584,255	4,718,935
<b>Total cash and cash equivalents</b>	<b>4,589,917</b>	<b>4,729,381</b>

**NOTE 6: TRADE AND OTHER RECEIVABLES**

	2013 \$	2012 \$
<b>CURRENT</b>		
Membership debtors	63,868	75,344
Other receivables (a)	747,842	769,368
<b>Total trade and other receivables</b>	<b>811,710</b>	<b>844,712</b>

**(a) Related receivables**

Included in other receivables is an amount owed from The Equity Trust.	189,794	318,324
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**NOTE 9: PROPERTY, EQUIPMENT AND VEHICLES**

	2013 \$	2012 \$
<b>LAND AND BUILDINGS</b>		
<b>Sydney</b>		
- At cost	4,913,802	4,913,802
- Less accumulated depreciation	(2,029,239)	(1,919,894)
	<b>2,884,563</b>	<b>2,993,908</b>
<b>Brisbane</b>		
- At cost	139,340	-
- Less accumulated depreciation	(8,399)	-
	<b>130,941</b>	<b>-</b>
<b>Adelaide</b>		
- At cost	204,628	204,628
- Less accumulated depreciation	(97,374)	(92,258)
	<b>107,254</b>	<b>112,370</b>
<b>Melbourne</b>		
- At cost	1,695,936	1,657,656
- Less accumulated depreciation	(270,980)	(229,100)
	<b>1,424,956</b>	<b>1,428,556</b>
<b>EQUIPMENT AND VEHICLES</b>		
- At cost	1,556,882	1,540,725
- Less accumulated depreciation	(1,478,850)	(1,382,667)
	<b>78,032</b>	<b>158,058</b>
<b>Total property, equipment and vehicles</b>	<b>4,625,746</b>	<b>4,692,892</b>

**(a) Movements in Carrying Amounts**

2013	Land and buildings				Equipment and Motor Vehicle \$	Total \$
	Sydney \$	Brisbane \$	Adelaide \$	Melbourne \$		
Balance at the beginning of year	2,993,908	-	112,370	1,428,556	158,058	4,692,892
Additions	-	139,340	-	38,280	16,157	193,777
Disposals	-	-	-	-	-	-
Depreciation expense	(109,345)	(8,399)	(5,116)	(41,880)	(96,183)	(260,923)
<b>Carrying amount at the end of year</b>	<b>2,884,563</b>	<b>130,941</b>	<b>107,254</b>	<b>1,424,956</b>	<b>78,032</b>	<b>4,625,746</b>

**NOTE 7: OTHER ASSETS**

	2013 \$	2012 \$
<b>CURRENT</b>		
Prepayments	280,891	199,422
Deposits refundable	1,962	1,962
Payroll clearing account	1,021	2,660
<b>Total other assets</b>	<b>283,874</b>	<b>204,044</b>

**NOTE 8: FINANCIAL ASSETS**

	2013 \$	2012 \$
<b>Available-for-sale Financial Assets comprise:</b>		
Listed investments		
- shares - at fair value	1,037	1,037
- shares in listed trusts -- at fair value	17,571	15,143
<b>Total available-for-sale financial assets</b>	<b>18,608</b>	<b>16,180</b>

**NOTE 9: PROPERTY, EQUIPMENT AND VEHICLES (CONTINUED)**

**(b) Valuations of land and buildings**  
The Federal Management Committee has reviewed the book value of land and buildings and believes that the market value is substantially in excess of the book value. They have reviewed the assumptions used in each valuation and believe the key assumptions remain valid. The latest valuation of the Sydney property was performed by Wayne Wotton FAPI on 1 August 2013, when the property was valued at \$3,985,000. The committee therefore believe the carrying value of the land and buildings correctly reflects the fair value less cost to sell at 30 June 2013, and as such no impairment is deemed necessary. The freehold land and building in Melbourne was independently valued on 15 April 2011 by CB Richard Ellis, when the property was valued at \$1,800,000. The valuation was based on vacant possession "as is". The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties. The freehold land and building in Adelaide was independently valued on 30 June 2011 by CB Richard Ellis, when the property was valued at \$285,000. The valuation was based on vacant possession "as is". The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties.

**(c) Non-current assets pledged as security**  
Refer to note 11 for information on non-current assets pledged as security.

**NOTE 10: TRADE AND OTHER PAYABLES**

	2013 \$	2012 \$
<b>CURRENT</b>		
<i>Unsecured liabilities</i>		
Trade payables	550,642	221,492
Goods and services tax payable	74,573	133,435
Creditors and accruals	260,764	409,373
<b>Total unsecured liabilities</b>	<b>885,979</b>	<b>764,300</b>
<b>(a) Included in creditors and accruals are the following:</b>		
Legal fees	62,755	67,530
Employee benefits to office holders and staff	2,418	1,363
<b>Total</b>	<b>27,399</b>	<b>68,893</b>

**(b) Amounts not expected to be settled within the next 12 months**  
There are no amounts not expected to be settled within the next 12 months.

**NOTE 11: BORROWINGS**

	2013 \$	2012 \$
<b>CURRENT</b>		
<b>Secured liabilities</b>		
Bank loans	591,173	1,091,173

**(a) Bank loans**

On 30 July 2012, the Alliance repaid \$500k in principal borrowings and renegotiated the ongoing facility to 31 October 2013. The facility limit was \$1.6m.

**(b) Assets pledged as security**

The Bank has a fixed charge over all land and buildings owned by the Alliance in Sydney.

The carrying amounts of non-current assets pledged as security are:

First mortgage over freehold land and buildings	2,884,563	2,993,908
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**NOTE 12: PROVISIONS**

	2013 \$	2012 \$
<b>CURRENT</b>		
Annual leave	566,282	504,450
Long service leave	306,963	419,450
Other provisions	55,842	14,750
<b>Total current provisions</b>	<b>929,087</b>	<b>938,650</b>
<b>NON-CURRENT</b>		
Employee benefits	142,019	30,450
<b>Total provisions</b>	<b>1,071,106</b>	<b>969,100</b>

This is split as follows:

Total officers employee benefits	291,550	214,960
Total employee benefits	779,556	754,140
<b>Total provisions</b>	<b>1,071,106</b>	<b>969,100</b>

**NOTE 13: OTHER LIABILITIES**

	2013 \$	2012 \$
<b>CURRENT</b>		
Deferred membership income	-	29,542
Deferred other income	566,555	467,658
Alliance Safety & Solidarity Appeal Fund	546,853	313,613
Other current liabilities	26,533	34,664
<b>Total other liabilities</b>	<b>1,139,941</b>	<b>845,477</b>

(a) **Alliance Safety & Solidarity Appeal Fund**  
Other liabilities include funds raised and expended by the Alliance Safety & Solidarity Appeal Fund.

The following is the movement in the Alliance Safety & Solidarity Appeal Fund:

	2013 \$	2012 \$
Balance as at 1 July	313,613	386,986
Funds raised during the year	369,834	36,962
Payments made during the year	(136,594)	(110,335)
<b>Balance as at 30 June</b>	<b>546,853</b>	<b>313,613</b>

These funds are invested in a separate bank account.

**NOTE 14: CASH FLOW INFORMATION**

	2013 \$	2012 \$
Reconciliation of cash flow from operations with surplus after income tax expense		
Net (loss) / surplus for the year after income tax expense	(175,503)	477,625
Non-cash flows in profit from ordinary activities:		
Depreciation	260,923	221,393
Increase in fair value of available-for-sale financial assets	(2,428)	-
Changes in assets and liabilities		
Increase in trade and other receivables	(46,828)	(341,126)
Increase in trade and other payables	416,143	67,010
Increase/(decrease) in provisions	102,006	(150,422)
<b>Net Cash provided by operating activities</b>	<b>554,313</b>	<b>274,480</b>

**NOTE 15: RESERVES**

- (a) **Stability Reserve**  
The Stability Reserve was set up to advance the working capital of the Alliance and has been invested in bank accounts.
- (b) **Equity Foundation Reserve**  
The Equity Foundation Reserve has been set up to advance the interests of the Equity Foundation.
- (c) **Symphony Orchestra Musicians' Association (SOMA)**  
The SOMA Reserve has been set up to advance the interests of orchestral musicians.
- (d) **Walkley Foundation Reserve**  
The Walkley Awards Reserve has been set up to advance the interests of the Walkley Foundation.
- (e) **Campaign Reserve**  
The Campaign Reserve has been set up to advance the interests of the members.
- (f) **Special Projects Reserve**  
The Special Projects Reserve was set up to advance the interests of the Alliance.
- (g) **Fighting Fund Reserve**  
The Fighting Fund Reserve was set up to assist members undertaking action in support of Alliance objectives or other related activities in support of Alliance objectives.

**NOTE 15: RESERVES (CONTINUED)**

	2013 \$	2012 \$
<b>Analysis of transfer to Fighting Fund Reserve</b>		
Transferred from Alliance surplus	-	-
Interest received on Stability and Fighting Fund bank account balances	-	69,576
Fighting Fund donations received during the year	351	8,235
Fighting Fund donations paid during the year	(1,213)	(436)
<b>Net transfer to reserve</b>	<b>(862)</b>	<b>77,375</b>

(h) **Special Leave Reserve**  
The Special Leave Reserve was set up to provide for unforeseen staff contingencies.

(i) **Property and Mortgage Reserve**  
The Property and Mortgage Reserve was set up to provide for unforeseen costs or obligations regarding the Alliance properties and mortgage bills.

**NOTE 16 CAPITAL AND LEASING COMMITMENTS**

	2013 \$	2012 \$
<b>(a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable - minimum lease payments		
- not later than 12 months	206,653	113,214
- between 12 months and 5 years	584,974	208,560
<b>Total operating lease commitments</b>	<b>791,627</b>	<b>321,774</b>

On 1 September 2012, a new 5 year operating lease for the Brisbane office was entered into which will expire on 31 August 2017. The annual rental charge on this property is \$149,660.

(b) **Capital Expenditure Commitments**  
There are no material capital expenditure commitments as at 30 June 2013 (2012 : nil).

**NOTE 17: FINANCIAL RISK MANAGEMENT**

Note	2013 \$	2012 \$
<b>Financial assets</b>		
Cash and cash equivalents	5 4,589,917	4,729,381
Loans and receivables	6 811,710	844,712
Available-for-sale financial assets	8 18,608	16,180
<b>Total financial assets</b>	<b>5,420,235</b>	<b>5,590,273</b>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost:		
- trade and other payables	10 885,979	764,300
- Borrowings	11 591,173	1,091,173
<b>Total financial liabilities</b>	<b>1,477,152</b>	<b>1,855,473</b>

**Net Fair Values**  
(i) For listed available-for-sale financial assets and financial assets at fair value through profit or loss the fair values have been based on closing quoted bid prices at the end of the reporting period.

In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).

**NOTE 18: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of RAO Schedule, as amended, the attention of members is drawn to the provisions of section 272(5) which read as follows:

- (1) A member of the Alliance, or a Registrar, may apply to the Alliance for specified prescribed information in relation to the Alliance, to be made available to the person making the application.
- (2) The application must be in writing and must specify the period in 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 Alliance.
- (3) The Alliance must comply with an application made under subsection (1).

**NOTE 19: MONIES HELD IN TRUST**

At year end the Alliance was holding in Equity Trust an amount of \$5,110,050 (2012: \$5,769,476). This amount and the corresponding liability are not reflected in the statement of comprehensive income or the statement of financial position of the Alliance. These amounts are not consolidated as part of the Alliance financial statements under Australian Accounting Standards as these funds are not directly controlled by the Alliance. The monies received on behalf of the performers are held in Trust prior to the quarterly distribution.

**Residuals**

The Equity Trust is responsible for distributing residual fees (residuals), which are fees paid by distributors to the performers concerned. They are sometimes referred to as "royalties", "repeats" or "second usage fees". These fees are negotiated by the Alliance and paid to qualifying performers who work on film or TV productions, after the initial use or exploitation of these productions.

The Equity Trust collects these fees on behalf of the performers and then calculates the residuals for each of them. These calculations are reviewed by the Alliance's external auditors, prior to paying performers each quarter. On occasion, there are discrepancies relating to performers entitlement to residuals or the attributed portion and these need to be resolved before payments are made.

All residual fees received are banked in accounts specifically designated as trust accounts.

The Equity Trust monitors exploitation or sales which may trigger residuals

**Total owed to cast members at 1 July**

	2013 \$	No of Performers	2012 \$	No of Performers
Prior period adjustment	5,361,753		4,680,405	
Revised total owed to cast members at 1 July	18,509		-	
<b>Monies received in the year</b>	<b>5,380,262</b>		<b>4,680,405</b>	
Residuals, claims and super received	4,820,220	10,338	5,660,123	5,635

**Monies paid in the year**

Residuals, claims and super paid to performers

	2013 \$	No of Performers	2012 \$	No of Performers
	(4,478,099)	5,094	(4,011,984)	2,219

**Payments made on behalf of performers to the Alliance:**

- Residual Fees deducted from residuals on behalf of members of which \$236,062 was paid including GST of \$21,460 to the Alliance as Member Income (2012 \$197,054 which includes GST of \$17,914) (166,223) (197,054)
- Outstanding union subscriptions deducted from residuals on behalf of members and paid to the Alliance as member income (current) (162,733) (105,478)
- Outstanding union subscriptions deducted from residuals on behalf of members and paid to the Alliance as member income (non current) (7,689) (87,583)
- Administration fees deducted from residuals on behalf of non-members of which \$262,543 including GST of \$23,867 to the Alliance Equity Trust (2012 \$190,004 including GST of \$17,273) (223,169) (190,004)

**Amounts paid to the Alliance Equity Trust:**

- Interest Members Equity - Term Deposit not paid (58,388) (16,672)
- Interest Members Equity June 2012 paid 16,672
- Portion of amounts not able to be distributed within six years transferred to the Alliance Equity Foundation for the interests of performers (291,427) (370,000)

<b>Total owed to cast members at 30 June</b>	<b>4,829,426</b>		<b>5,361,753</b>	
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*The total owed to cast members at 30 June 12 includes undistributable amounts that are over six years old*

**Interest received on recovered monies**

- Interest received on Equity Trust bank accounts, of which \$166,359 (2012 \$293,523) was transferred to the Alliance Equity Trust	207,281		264,958	
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**Costs of administration (these have been accounted for in Alliance operations)**

and contacts the producer and distributor when money is due from them. Producers and distributors are required to provide regular reports on all income they have received and residuals owing.

The Equity Trust aims to pay out all residuals received, but some performers are difficult to trace.

The Alliance Rules provide for the use of those amounts that are not able to be distributed within six years of being received by the Association; they may be applied by the Alliance for the interests of the general class of people for whom the money was received, that is, performers. If, after six years, if any member can assert a right to any money received, the Alliance shall make good that money. Any net interest or related earnings for the interests can also be applied to the interests of performers.

**Superannuation contributions**

Equity Trust also negotiates monitors and collects superannuation contributions on behalf of Australian performers working overseas and forwards their entitlement to the appropriate superannuation fund.

**Bonds**

To safeguard the wages of performers and crew working on productions, Equity may require a bond to be lodged by the producer. In such cases, Equity Trust releases the bond after the production has provided a certificate from its accountants, certifying that all performers' and crews' wages, including superannuation and annual leave, have been paid.

Assets and liabilities of the Equity Trust not recorded in the financial statements of the Alliance were:

	2013 \$	2012 \$
<b>Current assets</b>		
Cash and cash equivalents	5,110,050	5,769,476
<b>Total current assets</b>	<b>5,110,050</b>	<b>5,769,476</b>
<b>Current liabilities</b>		
Bonds received and owing	44,857	43,500
Owed to cast members	4,829,426	5,361,753
Owed to Alliance (refer to note 6(a))	189,867	318,323
Provision	45,900	45,900
<b>Total current liabilities</b>	<b>5,110,050</b>	<b>5,769,476</b>



