



20 June 2017

Mr Peter Davidson  
Secretary  
Musicians' Union of Australia

By e-mail: [federal.secretary@musicians.asn.au](mailto:federal.secretary@musicians.asn.au)

Dear Mr Davidson

**Musicians' Union of Australia**  
**Financial Report for the year ended 30 June 2016 - FR2016/322**

I acknowledge receipt of the amended financial report for the year ended 30 June 2016 for the Musicians' Union of Australia. The financial report was lodged with the Registered Organisations Commission (ROC) on 20 June 2017.

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

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) 9603 0707 or by email at [ken.morgan@roc.gov.au](mailto:ken.morgan@roc.gov.au)

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Morgan'.

**KEN MORGAN**  
Financial Reporting Advisor  
Registered Organisations Commission



Musicians Union of Australia  
U4 23A King William Rd.  
Unley, SA, 5061

20 June 2017

Dear Sir

**Certificate of Secretary**

Certificate for the period ended 30 June 2016

I, Peter Davidson, being the Federal Secretary of the Musicians' Union of Australia certify:

- that the documents lodged herewith are copies of the full report for the Musicians' Union of Australia for the period ended June 2016, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was emailed to the members on the 27<sup>th</sup> of May 2017; and
- the full report was presented and accepted via electronic vote by the Federal Executive on the 30<sup>th</sup> of May 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Yours Faithfully

A handwritten signature in black ink, appearing to be "Peter Davidson", written over a horizontal line.

Peter Davidson  
Federal Secretary  
Musicians Union of Australia

**MUSICIAN'S UNION OF AUSTRALIA**

**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016**

## MUSICIAN'S UNION OF AUSTRALIA

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# MUSICIANS' UNION OF AUSTRALIA

U4 23A King William Rd  
Unley SA 5061

## **OPERATING REPORT**

for the period ended 30 June 2016

The Federal Council presents its report on the Musicians' Union of Australia for the financial year ended 30 June 2016.

### **Review of principal activities.**

The principal activities of the Musicians' Union of Australia during the financial year were to provide industrial, professional and managerial services to members consistent with the objects of the Union in particular that of protecting and improving the interests of the members and working musicians as a whole.

Advice and assistance was provided in the preparation and lodgement of underpayment of wages and unfair dismissal claims.

Advice and assistance was provided to members with the preparation and negotiation of contracts pertaining to independent contracts for musical performances, instrumental teaching services, licensing of copyright material, and partnership agreements.

### **Results of those activities**

A review of the results of these activities indicated that they were largely successful and that the activities continue to serve the Union's purpose.

The Musicians' Union's principal activities resulted in a surplus/(deficit) for the financial year of (\$94,495)

### **Significant changes in the nature of those activities during the year**

There were no significant changes in the nature of the Union's principal activities during the financial year.

### **Significant changes in financial affairs**

In order to improve services to members, administration for the Federal Office and Branches was centralised, and an industrial officer was engaged by the Federal Office in order to assist with members' matters.

The Federal Office and Branches of the Union agreed to changes to the Union's Rules in order to allow for the Union's finances and membership databases to be administered from

a centralised location. The Union applied for, and was granted, a certificate, under sub-section 245(1) of the *Fair Work (Registered Organisations) Act 2009*, to be divided on an alternative basis into a single reporting unit. It is important to note that in accordance with the Union Rules, Branches and their committees of management maintain responsibility for how those Branch funds are allocated and controlled. The centralising of the administration of Branch finances has reduced administration expenses and improved compliance procedures.

### **Right of members to resign**

Rule 14 of the Rules of the Musicians' Union of Australia states that:

(1) A member of the Union may resign from membership by written notice addressed and delivered to the Branch Secretary or an agent authorised by the Branch Secretary. Such notice of resignation may be forwarded by mail or electronic communication to the registered office of the Branch or an agent authorised by the Branch Secretary.

(2) A notice of resignation from membership of the Union takes effect:

(a) where the member ceases to be eligible to become a member of the union:

- (i) on the day on which the notice is received by the union; or
- (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is later; or

(b) in any other case:

- (i) at the end of 2 weeks after the notice is received by the union; or
- (ii) on the day specified in the notice;

whichever is later.

(3) Any dues payable but not paid by a former member of the Union in relation to a period before the member's resignation from the Union took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union.

(4) A notice delivered to the person mentioned in subrule (1) shall be taken to have been received by the Union when it was delivered.

(5) A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with subrule (1).

(6) A resignation from membership of the Union is valid even if it is not effected in accordance with this rule if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.

Nothing in Rule 14 of the Musicians' Union Rules interferes with a member's right to resign from the union as set out under section 174(1) of the *Fair Work (Registered Organisations) Act 2009*. In accordance with section 174(1) of the *Fair Work (Registered Organisations) Act 2009* a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

### **Number of members**

As at the 30th June 2016 there were:

Adelaide Branch members 139;  
Brisbane Branch members 74;  
Hobart Branch members 54;  
Launceston Branch members 24;  
Melbourne Branch members 247;  
Sydney Branch members 136;

Total 674

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

#### **Federal Executive**

Terry Noone	Federal Secretary	01/07/15 - 23/11/15
Peter Davidson	Federal Secretary	24/11/15 - 30/06/16
Sam Moody	Adelaide Secretary	01/07/15 - 30/06/16
Claire Clarke	Brisbane Secretary	01/07/15 - 30/06/16
Peter Davidson	Hobart Secretary	01/07/15 - 30/06/16
Glenn Price	Launceston Secretary	01/07/15 - 30/06/16
Terry Noone	Melbourne Secretary	01/07/15 - 23/11/15
Alan Richards	Melbourne Secretary	24/11/15 - 30/06/16

#### **Officers or members who are superannuation fund trustee(s)**

No officers or employees of the Musicians' Union of Australia were trustees of a superannuation fund or directors of a company that were trustees of a superannuation fund during the financial year.

### **Number of employees**

As at the 30th of June 2016 the number of employees of the Union was:

Adelaide Branch - 1 part time;  
Federal Office - 1 part time.

### **Salaries**

The Musicians' Union salary rates are as follows:

<b>Position</b>	<b>Per Annum</b>
Adelaide Branch Secretary	\$31,200
Federal Imports/Industrial Officer	\$13,854

Note: Musicians' Union base superannuation is paid at 9.5%, and annual leave loading is calculated at 17.5%

The identity of the officers who are the two highest paid in terms of relevant remuneration for the year ended 30 June 2016, are as follows:

<b>Name</b>	<b>Position</b>	<b>Travel &amp; Other Allowances</b>	<b>Non-Cash Benefits</b>
Sam Moody	Secretary (Ade)	\$0	\$0
James Glaister	Industrial Officer (Fed)	\$0	\$0

The following Officers left the employment of the Musicians' Union during the year ended 30 June 2016 and, in addition to their base salary and allowances for the period worked, they received payment for their accrued Long Service Leave and/or Annual Leave entitlements.

<b>Name</b>	<b>Position</b>	<b>Relevant Remuneration</b>	<b>Non-Cash Benefits</b>
Terry Noone	Secretary (Fed)	\$18,670	\$0
Terry Noone	Secretary (Melb)	\$55,052	\$0
Chris Noone	Imports Officer (Fed)	\$ 6,907	\$0

### **Associated Entities**

The Musicians' Union is not involved with any associated entity over which it has controlling or significant influence.

### **Key Relationships**

The Musicians' Union has developed key relationships over a long period with a number of suppliers of various goods and services. These relationships are conducted on normal commercial terms, and are periodically tested against market price:

**Legal Services:** Lieschke & Weatherill Lawyers

### **Officers' Material Personal Interests**

For the year ended 30 June 2016, the Officers of the MUA have declared no material personal interests.

### **Payments to related parties or declared persons**

For the year ended 30 June 2016, the MUA has made no reportable payments to any related party or declared person or body of the Union.



.....  
Peter Davidson  
Federal Secretary  
Musicians' Union of Australia  
21 December 2016





# MUSICIANS' UNION OF AUSTRALIA

U4 23A King William Rd  
Unley SA 5061

## **COMMITTEE OF MANAGEMENT STATEMENT**

On 21 December 2016 the Federal Executive of the Musicians' Union of Australia Federal Office (MUA) passed the following resolution in relation to the general purpose financial report (GPFR) of the MUA for the year ended 30 June 2016.

The Federal Executive declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards.
- (b) the financial statements and notes comply with the reporting guidelines of the 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 Musicians' Union of Australia for the financial year ended 30 June 2016;
- (d) there are reasonable grounds to believe that the Musicians' Union of Australia will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 30 June 2016 and since the end of the financial year:
  - (i) meetings of the Musicians' Union of Australia committee of management were held in accordance with the rules of the organisation; and
  - (ii) the financial affairs of the Musicians' Union of Australia have been managed in accordance with the rules of the organisation; and
  - (iii) the financial records of the Musicians' Union of Australia have been kept and maintained in accordance with the RO Act; and
  - (iv) no information has been sought in any request by a member of the Branch or General Manager duly made under Section 272 of the RO Act; and
  - (v) no orders for inspection of financial records have been made by Fair Work Commission under section 273 of the RO Act.
- (f) no revenue has been derived from undertaking recovery of wages during the reporting period.

This declaration is made in accordance with a resolution of Federal Executive:

.....  
Peter Davidson  
Federal Secretary  
Musicians' Union of Australia  
21 December 2016

## MUSICIAN'S UNION OF AUSTRALIA

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

	Note	2016 \$
<b>INCOME</b>		
Capitation Fees		871
Levies		-
Grants and/or Donations		-
Membership Fees	1(a)(i)	8,579
Import Visa Fees		54,545
Investment Income		658
Interest Received		31,912
Loss on Sale of Shares		(46,177)
Profit on Sale of Assets		43,130
Sundry Income		5,446
<b>TOTAL INCOME</b>		<u>98,965</u>
<b>EXPENDITURE</b>		
Affiliation fees	4(a)	1,620
Advertising & Promotion		1,660
Bank charges		1,953
Capitation fees		871
Cleaning & Rubbish Removal		760
Consideration to employers for payroll deductions		-
Compulsory levies		-
Conference & meeting expenses		680
Depreciation		1,631
Employee expenses	13(b)	130,957
Fees/allowances – meeting and conferences		-
Grants or donations	4(b)	-
Insurance		604
Mortuary Benefits Paid		3,000
Penalties – via RO Act or RO Regulations		76,500
Postage		1,233
Printing & Stationery		2,654
Professional services	5	36,901
Rates & Taxes		3,901
Rent		8,359
Repairs & Maintenance		541
Leave Provisions	1(a)(iii)	(65,206)
Storage & Removal		11,689
Sundry Expenses		1,194
Telephone & Internet		5,404
Travel & Accommodation		2,986
Utilities		1,137
Worker's Compensation Insurance		391
Write-down to value of Investments		(37,959)
<b>TOTAL EXPENDITURE</b>		<u>193,461</u>
<b>NET SURPLUS/ (DEFICIT) FOR THE YEAR</b>		<u>(94,495)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(94,495)</u>

The above statement should be read in conjunction with the notes

## MUSICIAN'S UNION OF AUSTRALIA

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	2016 \$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	6	<u>1,176,177</u>
<b>Total Current Assets</b>		<u>1,176,177</u>
<b>Non-Current Assets</b>		
Property, Plant & Equipment	7	<u>4,590</u>
<b>Total Non-Current Assets</b>		<u>4,590</u>
<b>TOTAL ASSETS</b>		<u>1,180,767</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	8	5,272
Tax Liabilities		122
Employee provisions	9	17,879
Other Provisions	10	76,500
Other Liabilities	11	<u>16,084</u>
<b>TOTAL LIABILITIES</b>		<u>115,857</u>
<b>NET ASSETS (LIABILITIES)</b>		<u>1,064,909</u>
<b>EQUITY</b>		
Reserves		1,480,993
Retained Profits / (Accumulated Losses)		<u>(416,084)</u>
<b>ACCUMULATED FUNDS (LOSSES)</b>		<u>1,064,909</u>

The above statement should be read in conjunction with the notes

**MUSICIAN'S UNION OF AUSTRALIA**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2016**

	<b>Reserves</b>	<b>Retained Profits (Losses)</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 30 June 2015</b>	<u>1,530,993</u>	<u>(321,589)</u>	1,209,404
Net Surplus (Deficit) for the year		(94,495)	(94,495)
Asset Revaluation Reserve	(50,000)		(50,000)
<b>Balance at 30 June 2016</b>	<u>1,480,993</u>	<u>(415,225)</u>	1,064,909

The above statement should be read in conjunction with the notes

## MUSICIAN'S UNION OF AUSTRALIA

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

	Note	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Members & Artists	12(c)	69,441
Interest received		31,912
Payments to suppliers and employees	12(c)	<u>(256,269)</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	12(b)	<u>(154,916)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Income		658
Proceeds from Sale of Building		105,699
Proceeds from Sale of Shares	12(c)	<u>83,756</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	12(b)	<u>190,113</u>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		
Cash at the beginning of the year		<u>1,141,638</u>
<b>CASH AT THE END OF THE YEAR</b>	12(a)	<u>1,176,177</u>

The above statement should be read in conjunction with the notes

# MUSICIAN'S UNION OF AUSTRALIA

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PREPARATION

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Fair Work (Registered Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the Musician's Union of Australia is a not-for-profit entity.

The financial report is for the Musician's Union of Australia (MUA). The MUA is an organisation registered under the RO Act. In accordance with the RO Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the Branch are not subject to the Corporations Act 2001.

The financial report has been prepared on an accrual basis and in accordance with historical cost. 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.

The following is a summary of the significant accounting policies adopted by the MUA in the preparation of the financial report.

**a) (i) Revenue**

Members Subscriptions, Import Visa Fees and Interest income has been brought to account on an accrual basis during the course of the year.

**(ii) Expenditure**

Expenses represent amounts paid directly by the Branch for operational costs.

**(iii) Employee Entitlements**

Provision for employee benefits in the form of Long Service Leave and Accrued Annual Leave have been made for the estimated accrued entitlements of all employees on the basis of their terms of employment.

**(iv) Property, Plant and Equipment**

Depreciation, using the diminishing value method, has been provided for in the Accounts on all Non-Current Assets, so as to allocate their cost over their estimated remaining useful life.

**(v) Income Tax**

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

**(vi) Goods and Services Tax (GST)**

Revenues and expenses are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or part of an item of the expense. Receivables and payables on the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to the taxation authority is included as part of receivables or payables as appropriate.

Cash flows are included in the statement of cash flows on a gross basis.

## MUSICIAN'S UNION OF AUSTRALIA

### NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)

#### 1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### b) Going concern basis of accounting

The financial report has been prepared on the basis that the Union is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Federal Council believes it is appropriate to adopt the going concern basis for preparing the report on the grounds that the Federal Office and each branch have made an undertaking to provide financial support to each other as necessary.

##### c) Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year and have not been impacted by any new standards adopted in the current financial year.

##### d) Future Australian Accounting Standard requirements

There have been no accounting standards issued prior to the sign off date, but not yet effective, which will have a material impact on the financial report in future periods.

#### 2. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### (a) Critical accounting estimates and assumptions

There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

##### (b) Critical judgments in applying the Union's accounting principles

There are no critical judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

## MUSICIAN'S UNION OF AUSTRALIA

### NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)

#### 3. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF FAIR WORK COMMISSION

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Section 272 of Fair Work (Registered Organisations) Act 2009 which read as follows:

- 1) A member of a reporting unit, or the General Manager of Fair Work Commission, 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)

	<b>2016</b>
	<b>\$</b>
<b>4a. Affiliation Fees</b>	
SA Unions	1,620
	<hr/>
	1,620
<b>4b. Grants or Donations \$1,000 or less</b>	
Grants	-
Donations	-
	<hr/>
	-
<b>Grants or Donations over \$1,000</b>	
Grants	-
Donations	-
	<hr/>
	-
	<hr/>
	-
<b>5. PROFESSIONAL SERVICES</b>	
Auditors - Auditing the financial report	8,300
- Other Services	-
<b>Legal Costs*</b>	
Litigation	-
Other Legal Matters	28,601
	<hr/>
	36,901
	<hr/>



## MUSICIAN'S UNION OF AUSTRALIA

### NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)

	2016 \$
<b>6. CASH AND CASH EQUIVALENTS</b>	
Cash at Bank	<u>1,176,177</u>
<b>7. PROPERTY, PLANT &amp; EQUIPMENT</b>	
Reconciliation of opening and closing Balances	
(a) <b>Furniture &amp; Fittings</b>	
Net book Value as at 1 July	2,678
Additions	-
Revaluations	-
Impairments	-
Depreciation Expense	(376)
Disposals	-
Net book Value as at 30 June	<u>2,302</u>
(b) <b>Plant &amp; Equipment</b>	
Net book Value as at 1 July	3,543
Additions	-
Revaluations	-
Impairments	-
Depreciation Expense	(1,255)
Disposals	-
Net book Value as at 30 June	<u>2,288</u>
<b>8. TRADE AND OTHER PAYABLES</b>	
Trade and other payables	5,272
Other payables – legal costs	-
Consideration to employers for payroll deductions	-
Payable to other Reporting Units	-
	<u>5,272</u>
<b>9. EMPLOYEE PROVISIONS</b>	
Officials	
- Annual Leave	13,520
- Long Service Leave	3,245
- Separation & Redundancy	-
- Other Employee Expenses	-
Employees	
- Annual Leave	734
- Long Service Leave	380
- Separation & Redundancy	-
- Other Employee Expenses	-
	<u>17,879</u>

## MUSICIAN'S UNION OF AUSTRALIA

<b>10. OTHER PROVISIONS</b>	
Provision for FWC Fines	76,500
	<u>76,500</u>
<b>11. OTHER LIABILITIES</b>	
NSW Benevolent Fund	3,787
Love Never Dies Trust	7,044
Other Funds Held in Trust	5,253
	<u>16,084</u>
<b>12. CASH FLOW</b>	
<b>(a)</b>	For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks and other financial institutions.
	Cash at bank
	<u>1,176,177</u>
<b>(b)</b>	Reconciliation of cash flow from operations with Net Surplus (Deficit)
	Net Surplus (Deficit)
	(94,495)
	Depreciation
	1,631
	(Profit)/Loss on Sale of property, plant & equipment
	(43,130)
	Changes in Assets and Liabilities:
	(Increase) decrease in receivables
	10,256
	Increase (decrease) in payables
	(303)
	Increase (decrease) in employee entitlements
	(65,206)
	Increase (decrease) in sundry provisions
	35,472
	<u>(155,775)</u>
	<b>CASH FLOW FROM OPERATIONS</b>

## MUSICIAN'S UNION OF AUSTRALIA

### NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)

#### 13. RELATED PARTY DISCLOSURES

(a) Related parties of the Union also include all members of the committee of management.

There have been no other transactions between the officers and the Union other than those relating to their membership of the Branch and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

(b) Employee Benefits

<b>Benefits</b>	<b><u>Non-Office Holders</u></b>	<b><u>Office Holders</u></b>
Wages and Salaries	16,143	67,425
Superannuation	812	3,970
Leave and other entitlements	3,806	38,801
Separation and redundancies	-	-
Other Employee Expenses	-	-
<b>TOTAL</b>	<b><u>20,761</u></b>	<b><u>110,196</u></b>

(c) Key Management Personnel Compensation

<b>Benefits</b>	<b>\$</b>
Short-term employee benefits	67,425
Post-employment benefits	3,970
Other long-term benefits	-
Termination benefits	-
Share-based Payments	-
<b>TOTAL</b>	<b><u>71,395</u></b>

#### 14. FINANCIAL RISK MANAGEMENT

##### (a) *General objectives, policies and processes*

The Union is exposed to risks that arise from its use of financial instruments. This note describes the Union's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Union's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Union's financial instruments consist mainly of deposits with banks and receivables. The main risks the Branch is exposed to through its financial instruments are credit, risk liquidity risk and market risk.

The Committee of Management has overall responsibility for the determination of the Union's risk management objectives and policies.

## MUSICIAN'S UNION OF AUSTRALIA

### NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016 (Cont'd)

#### (b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Union incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Union.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed in the Detailed Statement of Financial Position and the Notes to the Accounts.

#### (c) Liquidity Risk

Liquidity risk is the risk that the Union may encounter difficulties raising funds to meet commitments associated with financial instruments.

The Union manages liquidity risk by monitoring cash flows.

#### (d) Market Risk

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

#### Sensitivity analysis of the risk that the entity is exposed to for 2016

Risk variable		Change in risk variable %	Effect on	
			Profit and loss	Equity
Interest rate risk	-	[+ 0.50]	\$5,880	\$5,880
Interest rate risk	-	[- 0.50]	(\$5,880)	(\$5,880)

Risk variable		Change in risk variable %	Effect on	
			Profit and loss	Equity
Other price risk	-	[+ 0.05]	\$588	\$588
Other price risk	-	[- 0.05]	(\$588)	(\$588)

#### Other disclosures under AASB 7 – Financial Risk Management

Para 25 - The carrying value of all financial assets and liabilities is equivalent to fair value (refer Para 29)

Para 20 - Income and expenses from financial assets and liabilities are fully disclosed in the Income and Expenditure Statement.

Para 36 – The carrying amount of all financial instruments best represents maximum exposure to credit risk.

## MUSICIAN'S UNION OF AUSTRALIA

### 15. CHANGE IN REPORTING UNIT

On 29 June 2015 the General Manager, FWC issued a certificate under s.245 of the RO Act allowing the Musician's Union of Australia and its branches to report as a single reporting unit. As required by reporting guideline 12c, the assets and liabilities acquired by the reporting unit are as follows:

#### CURRENT ASSETS

Date Acquired	Description	Entity Acquired From	Amount
1/7/2015	Cash at Bank	MUA Federal Office	21,284
01/07/2015	Cash at Bank	MUA Melbourne Branch	4,339
01/07/2015	Cash at Bank	MUA Adelaide Branch	1,077,422
01/07/2015	Cash at Bank	MUA Brisbane Branch	8,116
01/07/2015	Cash at Bank	MUA Launceston Branch	474
01/07/2015	Cash at Bank	MUA Hobart Branch	30,003
01/07/2015	Receivables	MUA Federal Office	27,560
01/07/2015	Receivables	MUA Melbourne Branch	2,561
01/07/2015	Receivables	MUA Sydney Branch	-22,491
01/07/2015	Receivables	MUA Adelaide Branch	32,929
		<b>TOTAL</b>	<b>1,182,199</b>

#### NON-CURRENT ASSETS

Date Acquired	Description	Entity Acquired From	Amount
01/07/2015	Investments	MUA Melbourne Branch	85,104
01/07/2015	Land & Buildings	MUA Hobart Branch	110,000
01/07/2015	Furniture & Fittings	MUA Melbourne Branch	2,136
01/07/2015	Furniture & Fittings	MUA Brisbane Branch	543
01/07/2015	Plant & Equipment	MUA Federal Office	1,449
01/07/2015	Plant & Equipment	MUA Launceston Branch	1,590
01/07/2015	Motor Vehicles	MUA Melbourne Branch	3,023
01/07/2015	Music Library	MUA Sydney Branch	50
		<b>TOTAL</b>	<b>203,895</b>

#### CURRENT LIABILITIES

Date Acquired	Description	Entity Acquired From	Amount
01/07/2015	Payables	MUA Federal Office	- 17,671
01/07/2015	Payables	MUA Melbourne Branch	- 220
01/07/2015	Payables	MUA Launceston Branch	- 112
01/07/2015	Payables	MUA Adelaide Branch	- 4,152
01/07/2015	Provisions	MUA Federal Office	- 34,182
01/07/2015	Provisions	MUA Melbourne Branch	- 67,583
01/07/2015	Provisions	MUA Adelaide Branch	- 13,320
01/07/2015	Provisions	MUA Launceston Branch	- 495
01/07/2015	ATO Liabilities	MUA Federal Office	- 3,097
01/07/2015	ATO Liabilities	MUA Melbourne Branch	- 3,801
01/07/2015	ATO Liabilities	MUA Sydney Branch	- 1,756
01/07/2015	Trust	MUA Melbourne Branch	- 26,511
01/07/2017	Other	MUA Sydney Branch	- 3,787
		<b>TOTAL</b>	<b>- 176,689</b>

## **MUSICIAN'S UNION OF AUSTRALIA**

### **16. SUBSEQUENT EVENTS**

There were no events that occurred after 30 June 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

### **17. ADDITIONAL BRANCH INFORMATION**

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

Unit 4, 23A King William Road

Unley, South Australia 5061