



2 March 2018

Mr Peter Davidson  
Federal Secretary  
Musicians' Union of Australia

Sent via email

Dear Mr Davidson

**Re: – Musicians' Union of Australia - financial report for year ending 30 June 2017  
(FR2017/275)**

I refer to the financial report of the Musicians Union of Australia. The documents were lodged with the Registered Organisations Commission ('the ROC') on 14 January 2018. An amended auditor's report including the declaration required by reporting guideline 39 was received today.

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

You are not required to take any further action in respect of the report lodged. However I make the following comment to assist you when preparing the next report. Please note the financial report for the period ending 30 June 2018 may be subject to an advanced compliance review.

Documents must be lodged within 14 days of presentation

Section 268 of the RO Act requires the full report and Designated Officer's Certificate to be lodged with the Registered Organisations Commission (ROC) within 14 days of the meeting at which the full report is presented. The Designated Officer's Certificate indicates that this meeting occurred on 1 December 2017. If this is correct the full report should have been lodged with the ROC as soon as possible after 1 December and by no later than 15 December 2017.

Mr Sam Moody has advised that the delay in lodging the full report with ROC within the prescribed 14 days was in part due to not wishing to lodge until some copies of the full report had been posted by surface mail to some members and that staffing circumstances meant that this took longer than desired up until the later part of December. In such a circumstance, the organisation could either have postponed presentation to the second meeting until later in December, or sought an extension of time under subsection 265(5) to provide the full report to members, or both.

Reports must be provided to members within 5 months of end of financial year where report is presented before Committee of Management meeting

I note that the Designated Officer's certificate indicates that the full report was emailed to members on 30 November 2017. This is within the prescribed time-frame.

However I note the advice Mr Moody provided, as outlined in the preceding paragraph. The organisation must satisfy itself that it has complied with the obligation to provide a copy of the signed full report to 'the members'. If the organisation considers, for example, that to satisfy this obligation it is necessary to post hard copies to some members in addition to using electronic methods for other members, then it must take steps to do so by the prescribed time-frame of 30 November.

Please note that in future financial years if an extension of time is required to provide the full report to the members, a written request must be made prior to the deadline of 30 November.

#### Reporting Requirements

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

Please note that new Reporting Guidelines will apply to organisations and branches with financial years *commencing* on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

Yours faithfully

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

Stephen Kellett  
Financial Reporting  
Registered Organisations Commission



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

1 March 2018

Dear Sir

**Certificate of Prescribed Designated Officer**

Certificate for the period ended 30 June 2017

I, Sam Moody, being the Federal Treasurer of the Musicians' Union of Australia certify:

- that the documents lodged herewith are copies of the amended full report for the Musicians' Union of Australia for the period ended June 2017, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that, following the advice of the Registered Organisations Commission, the Independent Auditors have amended their report. This has been included in the full report and posted to the Union's website as of the 27<sup>th</sup> of February 2017.

Yours Faithfully

A handwritten signature in black ink that reads "Sam Moody". The signature is written in a cursive style with a large, sweeping initial 'S'.

Sam Moody  
Federal Treasurer  
Musicians Union of Australia



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

12 January 2018

Dear Sir

**Certificate of Secretary**

Certificate for the period ended 30 June 2017

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 2017, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was emailed to the members on the 30<sup>th</sup> of November 2017; and
- the full report was presented and accepted via electronic vote by the Federal Executive on the 1<sup>st</sup> of December 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Yours Faithfully

Peter Davidson  
Federal Secretary  
Musicians Union of Australia

**MUSICIAN'S UNION OF AUSTRALIA**

**ABN 99 561 356 238**

**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**

## 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 2017

The Federal Council presents its report on the Musicians' Union of Australia for the financial year ended 30 June 2017.

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

During the financial year the Musicians' Union of Australia's primary activities 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 (\$10,280)

### **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**

There were no significant changes to the Union's financial affairs. However, recent changes in order to centralise the Union's administration have resulted in improvements to the financial management of the Union.

## **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 2017 there were:

Adelaide Branch members 137;  
Brisbane Branch members 71;  
Hobart Branch members 53;  
Launceston Branch members 22;  
Melbourne Branch members 222;  
Sydney Branch members 139;

Total 644

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

Peter Davidson	Federal Secretary	24/11/16 - 30/06/17
Sam Moody	Adelaide Secretary	01/07/16 - 30/06/17
Claire Clarke	Brisbane Secretary	01/07/16 - 13/09/16
Peter Davidson	Hobart Secretary	01/07/16 - 30/06/17
Glenn Price	Launceston Secretary	01/07/16 - 30/06/17
Alan Richards	Melbourne Secretary	01/07/16 - 30/06/17

### **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 2017 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

### **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 2017, the Officers of the MUA have declared no material personal interests.

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

For the year ended 30 June 2017, 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  
20 November 2017



# MUSICIANS' UNION OF AUSTRALIA

U4 23A King William Rd  
Unley SA 5061

## **COMMITTEE OF MANAGEMENT STATEMENT**

On the 16th November 2017 the Federal Executive of the Musician's 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 2017.

The Federal Executive declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (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 to which they relate;
- (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 to which the GPFR relates and since the end of that 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 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) the financial records of the Musicians' Union of Australia have been kept, as far as practicable, in a consistent manner with each of the Branches of the Musicians' Union of Australia; and
  - (v) where information has been sought in any request by a member of the Musicians' Union of Australia or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

.....  
Peter Davidson - Federal Secretary  
Musicians' Union of Australia

**MUSICIAN'S UNION OF AUSTRALIA**  
**ABN 99 561 356 238**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE  
YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>INCOME</b>			
Capitation Fees	4(a)	620	871
Levies		-	-
Grants and/or Donations	4(b)	-	-
Membership Contributions		6,196	8,579
Import Visa Fees		61,364	54,545
Interest Received		34,032	31,912
Investment Income		-	658
Loss on Sale of Shares		-	(46,177)
Profit on Sale of Assets		-	43,130
Sundry Income		5,224	5,446
<b>TOTAL INCOME</b>		<u>107,436</u>	<u>98,965</u>
<b>EXPENDITURE</b>			
Affiliation fees	5(a)	1,584	1,620
Advertising & Promotion		5,434	1,660
Bank charges		635	1,953
Capitation fees	5(b)	620	871
Cleaning & Rubbish Removal		755	760
Consideration to employers for payroll deductions		-	-
Compulsory levies		-	-
Conference & meeting expenses		996	680
Depreciation		1,410	1,631
Employee expenses		60,231	130,957
Fees/allowances – meeting and conferences		-	-
Grants or donations		-	-
Insurance		-	604
Leave Provisions		5,993	(62,206)
Mortuary Benefits Paid		117	3,000
Motor vehicle expenses		1,242	-
Penalties – via RO Act or RO Regulations		-	76,500
Photocopying		-	-
Postage		1,365	1,233
Printing & Stationery		2,774	2,654
Publicity		-	-
Professional services	6	12,684	36,901
Rates & Taxes		2,007	3,901
Rent		7,762	8,359
Repairs & Maintenance		158	541
Storage & Removal		1,252	11,689
Subscriptions		864	-
Sundry Expenses		550	1,194
Telephone & Internet		3,617	5,404
Travel & Accommodation		4,261	2,986
Utilities		726	1,137
Worker's Compensation Insurance		678	391
Write-down to value of Investments		-	(37,959)
<b>TOTAL EXPENDITURE</b>		<u>117,716</u>	<u>193,461</u>
<b>NET SURPLUS/ (DEFICIT) FOR THE YEAR</b>		<u>(10,280)</u>	<u>(94,495)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(10,280)</u>	<u>(94,495)</u>

The above statement should be read in conjunction with the notes

**MUSICIAN'S UNION OF AUSTRALIA**  
**ABN 99 561 356 238**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	1,093,796	1,176,177
<b>Total Current Assets</b>		<u>1,093,796</u>	<u>1,176,177</u>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	8	3,180	4,590
<b>Total Non-Current Assets</b>		<u>3,180</u>	<u>4,590</u>
<b>TOTAL ASSETS</b>		<u>1,096,976</u>	<u>1,180,767</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	9	3,354	5,272
Tax Liabilities		2,340	122
Employee provisions	10	23,872	17,879
Other Provisions		-	76,500
Other Liabilities	11	12,780	16,084
<b>Total Current Liabilities</b>		<u>42,346</u>	<u>115,857</u>
<b>NET ASSETS (LIABILITIES)</b>		<u>1,054,629</u>	<u>1,064,909</u>
<b>EQUITY</b>			
Reserves		1,480,993	1,480,993
Retained Profits / (Accumulated Losses)		(426,364)	(416,084)
<b>ACCUMULATED FUNDS (LOSSES)</b>		<u>1,054,629</u>	<u>1,064,909</u>

The above statement should be read in conjunction with the notes

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS (LOSSES)  
 FOR THE YEAR ENDED 30 JUNE 2017**

	<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>	<u>1,209,404</u>
Net Surplus (Deficit) for the year		(94,495)	(94,495)
Asset Revaluation Reserve	(50,000)		(50,000)
	<u>1,480,993</u>	<u>(416,084)</u>	<u>1,064,909</u>
<b>Balance at 30 June 2016</b>	<u>1,480,993</u>	<u>(416,084)</u>	<u>1,064,909</u>
Net Surplus (Deficit) for the year		(10,280)	(12,198)
Asset Revaluation Reserve	-		-
	<u>1,480,993</u>	<u>(426,364)</u>	<u>1,054,629</u>
<b>Balance at 30 June 2016</b>	<u>1,480,993</u>	<u>(426,364)</u>	<u>1,054,629</u>

The above statement should be read in conjunction with the notes

**STATEMENT OF CASH FLOWS FOR THE  
YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Members & Artists	12(b)	73,403	69,441
Interest received		34,032	31,912
Payments to suppliers and employees	12(b)	<u>(189,816)</u>	<u>(256,269)</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	12(b)	<u>(82,380)</u>	<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(b)	<u>-</u>	<u>83,756</u>
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	12(b)	<u>-</u>	<u>190,113</u>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		(82,380)	35,197
Cash at the beginning of the year		<u>1,176,177</u>	<u>1,140,980</u>
<b>CASH AT THE END OF THE YEAR</b>	12(a)	<u>1,093,796</u>	<u>1,176,177</u>

The above statement should be read in conjunction with the notes

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**

**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.



**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017 (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.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 June 2017. These are outlined in the table below.

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for the Branch
AASB 1058	Income of Not-for-Profit Entities	This standard establishes principles and guidance when accounting for: a. Transactions where the consideration given to acquire an asset is significantly less than its fair value, in order to enable the entity to further its objectives; and b. The receipt of volunteer services.	For financial years commencing after 1 January 2019	The Union is yet to assess its full impact.	1 October 2019
AASB 15	Revenue from contracts with customers	This standard provides a single comprehensive framework for determining whether, how much and when revenue is recognised. The core principle of the standard is that an entity will recognise revenue when control of goods or services is transferred rather than on transfer of risks and rewards as is currently the case under AASB118: Revenue.	For financial years commencing after 1 January 2019	The Union is yet to assess its full impact.	1 October 2019
AASB 16 (issued February 2017)	Leases	This standard eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It requires the entity to bring most leases onto its balance sheet in a similar way to how existing leases are treated under AASB117. An entity will be required to recognise a lease liability and a right of use of the asset in its balance sheet. There are some exemptions such as leases with a period of 12 months or less and low value leases are exempted.	For financial years commencing on or after 1 January 2019.	The Union is yet to assess its full impact.	1 October 2019

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017 (Cont'd)**

**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.

**3. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF FAIR WORK COMMISSION – SECTION 272**

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 Commissioner:

- (1) A member of a reporting unit, or the Commissioner, 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).

**4. Income**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>4a. Capitation fees*</b>		
MUA Melbourne Branch	226	408
MUA Hobart Branch	202	153
MUA Launceston Branch	17	19
MUA Brisbane Branch	60	83
MUA Adelaide Branch	115	208
	<hr/>	<hr/>
	620	871
<b>4b. Grants or Donations \$1,000 or Less</b>		
Grants	-	-
Donations	-	-
<b>Grants or Donations over \$1,000</b>		
Grants	-	-
Donations	-	-
	<hr/>	<hr/>
	-	-

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017 (Cont'd)**

<b>5. Expenditure</b>		
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>5a. Affiliation Fees</b>		
SA Unions	1,584	1,620
	<u>1,584</u>	<u>1,620</u>
<b>5b. Grants or Donations \$1,000 or less</b>		
Grants	-	-
Donations	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>Grants or Donations over \$1,000</b>		
Grants	-	-
Donations	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>6. PROFESSIONAL SERVICES</b>		
Auditors - Auditing the financial report	10,000	8,300
- Other Services	-	-
<b>Legal Costs*</b>	-	-
Litigation	-	-
Other Legal Matters	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>7. CASH AND CASH EQUIVALENTS</b>		
Cash at Bank	<u>1,093,796</u>	<u>1,176,177</u>
	<u>1,093,796</u>	<u>1,176,177</u>
<b>8. PROPERTY, PLANT &amp; EQUIPMENT</b>		
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Furniture &amp; Fittings</b>		
Net book Value as at 1 July	2,302	2,678
Additions	-	-
Revaluations	-	-
Impairments	-	-
Depreciation Expense	(321)	(376)
Disposals	<u>-</u>	<u>-</u>
Net Book Value as at 30 June 2017	<u>1,981</u>	<u>2,302</u>
<b>(b) Plant &amp; Equipment</b>		
Net book Value as at 1 July	2,288	3,543
Additions	-	-
Revaluations	-	-
Impairments	-	-
Depreciation Expense	(1,089)	(1,255)
Disposals	<u>-</u>	<u>-</u>
Net Book Value as at 30 June 2017	<u>1,199</u>	<u>2,288</u>

**MUSICIAN'S UNION OF AUSTRALIA**  
**ABN 99 561 356 238**

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017 (Cont'd)**

**9. TRADE AND OTHER PAYABLES**

Trade and other payables	3,354	5,272
Other payables – legal costs	-	-
Consideration to employers for payroll deductions	-	-
	<u>3,354</u>	<u>5,272</u>

**10. EMPLOYEE PROVISIONS**

**Office holders**

Annual leave	7,500	5,000
Long service leave	12,577	11,765
Separation & Redundancy	-	-
Other Employee Expenses	-	-
Subtotal employee provisions—office holders	<u>20,077</u>	<u>16,765</u>

**OTHER**

Annual leave	2,752	734
Long service leave	1,043	380
Separation & Redundancy	-	-
Other Employee Expenses	-	-
Subtotal employee provisions— other	<u>3,795</u>	<u>1,114</u>

**Total employee provisions**

	<u>23,872</u>	<u>17,879</u>
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**11. OTHER LIABILITIES**

NSW Benevolent Fund	3,787	3,787
Love Never Dies Trust	3,740	7,044
Other Funds Held in Trust	5,253	5,253
	<u>12,780</u>	<u>16,084</u>

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017 (Cont'd)**

	2017 \$	2016 \$
<b>12. CASH FLOW</b>		
(a) 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>1,093,796</u>	<u>1,176,176</u>
	<u>1,093,796</u>	<u>1,176,176</u>
(b) Reconciliation of cash flow from operations with Net Surplus (Deficit)		
Net Surplus (Deficit)	(10,280)	(94,495)
Depreciation	1,410	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	(1,918)	(303)
Increase (decrease) in other liabilities	(3,304)	-
Increase (decrease) in employee entitlements	5,993	(65,206)
Increase (decrease) in sundry provisions	<u>(74,281)</u>	<u>35,472</u>
<b>CASH FLOW FROM OPERATIONS</b>	<u>(82,380)</u>	<u>(155,775)</u>

**13. RELATED PARTIES**

(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

Benefits	2017		2016	
	<u>Non-Office Holders</u>	<u>Office Holders</u>	<u>Non-Office Holders</u>	<u>Office Holders</u>
Wages and Salaries	23,835	31,200	16,143	67,425
Superannuation	2,232	2,964	812	3,970
Leave and other entitlements	-	-	3,806	38,801
Separation and redundancies	-	-	-	-
Other Employee Expenses	-	-	-	-
<b>TOTAL</b>	<u>26,067</u>	<u>34,164</u>	<u>20,761</u>	<u>110,196</u>

(c) Key Management Personnel Compensation

Benefits	\$
Short-term employee benefits	31,200
Post-employment benefits	2,964
Other long-term benefits	-
Termination benefits	-
Share-based Payments	<u>-</u>

TOTAL

34,164

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017 (Cont'd)**

**12. 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 Union is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

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

*(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 Branch.

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 is not significantly exposed to this risk; as at 30 June 2017 it had \$1,093,796 of cash and cash equivalents to meet these obligations as they fall due.

Financial liabilities at 30 June 2017 totaled \$44,264

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 cashflows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017 (Cont'd)**

**12. FINANCIAL RISK MANAGEMENT (Cont'd)**

*(e) Interest rate risk*

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

<b>30 June 2017</b>	<b>Floating interest rate</b>	<b>Non interest Bearing</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>			
Cash and cash equivalents	<u>1,093,796</u>	<u>-</u>	<u>1,093,796</u>
	<u>1,093,796</u>	<u>-</u>	<u>1,093,796</u>
Weighted average Interest rate			
<b>Financial Liabilities</b>			
Payables	<u>-</u>	<u>(5,272)</u>	<u>(5,272)</u>
<b>Net Financial Assets (Liabilities)</b>	<u>1,093,796</u>	<u>(5,272)</u>	<u>1,088,524</u>

**Sensitivity Analysis**

<b>2017</b>	<b>Carrying Amount</b>	<b>+1.0%</b>	<b>-1.0%</b>
	<b>\$</b>	<b>Profit \$</b>	<b>Loss \$</b>
Cash Assets	<u>1,093,796</u>	<u>10,938</u>	<u>(10,938)</u>
<b>2016</b>			
Cash Assets	<u>1,176,177</u>	<u>11,762</u>	<u>(11,762)</u>

*(f) Other Price Risks*

The Branch does not invest in shares or derivatives therefore it does not expose itself to the fluctuations in price that are inherent in such a market.

*(g) Foreign Exchange Risk*

The Branch is not directly exposed to foreign exchange rate risk.

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017 (Cont'd)**

**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

**13. SUBSEQUENT EVENTS**

There were no events that occurred after 30 June 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

**14. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS**

NIL

**15. 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



## INDEPENDENT AUDITOR'S REPORT

To the members of the Musician's Union of Australia (MUA)

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Musician's Union of Australia, which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of Musician's Union of Australia (MUA), presents fairly, in all material respects the reporting unit's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and Part 3 of the *Fair Work (Registered Organisations) Act 2009*. It is also our opinion that management's use of the going concern basis of accounting is appropriate.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the reporting unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Other information

The Committee of Management are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Musician's Union of Australia operating report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the Committee of Management for the Financial Report**

The Committee of Management of the reporting unit are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

#### **Declaration by the auditor**

I, Natale Rugari, declare that I am an approved auditor, a member of CPA Australia and hold a current Public Practice Certificate.



**Natale Rugari, Principal**

North Adelaide, 27<sup>th</sup> November 2017

Registration Number AA2017/32(as registered by the RO Commission under the Act)