



14 May 2019

Peter Davidson
Federal Secretary
Musicians' Union of Australia

By e-mail: _____

Dear Peter Davidson,

Musicians' Union of Australia

Financial Report for the year ended 30 June 2018 - [FR2018/272]

I acknowledge receipt of the financial report of the Musicians' Union of Australia (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 10 January 2019. I also acknowledged receipts of amended financial reports which were lodged with us on 4 March 2019 and 29 April 2019.

The financial report has now been filed.

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

Please note that the financial report for the year ending 30 June 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these matters have been addressed prior to filing next year's report.

General purpose financial report (GPFR)

General purpose financial report to be prepared on accrual basis

As identified in the correspondence I sent to the reporting unit on 18 March 2019, membership subscriptions are to be accounted for on an accrual basis in accordance with the Australian Accounting Standard *AASB 101 Presentation of Financial Statements*.

The amended financial report lodged with the ROC on 29 April 2019 shows a change in the accounting policy for membership subscriptions and that it is now being reported on an accruals basis instead of by cash for the 2018 financial year. Australian Accounting Standard *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* paragraph 22 states that when a change in accounting policy is applied retrospectively, the entity shall adjust the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had

GPO Box 2983, Melbourne VIC 3001

always been applied. I note that 2017 comparative figures in the reporting unit's amended financial report have not been adjusted as per AASB 108.

Nil activities disclosure

Item 21 of the reporting guidelines (**RGs**) states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement (**ODS**). The notes contained nil activity information for all prescribed RG categories except the following:

- Agreeing to receive financial support from another reporting unit to continue as a going concern (RG 10);
- Agreeing to provide financial support to another reporting unit to ensure they continue as a going concern (RG 11);
- Acquiring an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission (RG 12);
- Receiving revenue from undertaking recovery of wages activity (RG 13(e));
- Having a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch (RG 17(a));
- Transferring to or withdrawing from a fund (other than the general fund), account, asset or controlled entity (RG 17(b));
- Having another entity administer the financial affairs of the reporting unit (RG 19); and
- Making a payment to a former related party of the reporting unit (RG 20).

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the ODS as per item 21 of the RGs.

I also note that the notes include the following nil activity disclosures for which there was already an equivalent form of disclosure in the financial statements:

- "Receiving donations or grants" is disclosed in both the statement of comprehensive income and Note 4(b); and
- "Paying a grant that was \$1,000 or less", "paying a grant that exceeded \$1,000", "paying a donation that was \$1,000 or less", and "paying a donation that exceeded \$1,000" are disclosed in both the statement of comprehensive income and Note 5(b).

Please note that nil activities only need to be disclosed once.

Inconsistency in disclosure of financial information

The statement of comprehensive income includes payment of capitation fees of \$705. This item also makes reference to Note 5(b). The information contained in Note 5(b) relates to a nil activity disclosures for grants and donations expenses.

I also note that the statement of cash flows makes reference to Note 12(a) & (b). However, Note 12 discloses Other Liabilities, whereas Note 13 discloses information relating to cash flow.

In future years, please ensure that items within the financial report are disclosed consistently.

Auditor's report

Audit scope to include the committee of management statement and subsection 255(2A) report

A GPFR prepared under section 253 of the RO Act must include a committee of management statement as prescribed by RG 25 and also the expenditure report required to be prepared under subsection 255(2A) as prescribed by RG 22.

The committee of management statement and the subsection 255(2A) report must be identified by title in the auditor's statement in accordance with paragraph 24(c) of Australian Auditing Standard *ASA 700 Forming an Opinion and Reporting on a Financial Report*.

A committee of management statement and a subsection 255(2A) report were included in the copy of the documents lodged with the ROC but the auditor did not refer to the titles of both statement and report in the auditor's report.

Please ensure in future years that the committee of management statement and the subsection 255(2A) report are audited before provided to members and lodged with the ROC.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 RGs and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at Kylie.Ngo@roc.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Kylie', written over a horizontal line.

Kylie Ngo
Financial Reporting Assistant
Registered Organisations Commission



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

Certificate by Prescribed Designated Officer
Certificate for the financial year ended 30 June 2018

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

- that the documents lodged herewith are the full report for the Musicians' Union of Australia for the period ended June 2018, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*. The report includes the changes that were requested by the Registered Organisations Commission (18 March 2019); and
- that, the full report made available for download from the Union's website on the 18th April 2019.; and
- that the full report was presented to a meeting of the Federal Executive of the Musicians' Union on the 24th of April 2019.

Yours Faithfully

Peter Davidson
Federal Secretary
Musicians Union of Australia
26 April 2019

MUSICIAN'S UNION OF AUSTRALIA

ABN 99 561 356 238

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

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 2018

The Federal Council presents its report on the Musicians' Union of Australia for the financial year ended 30 June 2018.

Review of principal activities.

During the financial year the Musicians' Union of Australia's primary activities were to provide industrial and professional 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 and breach of contract civil matters.

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 (\$10,591)

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.

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 2018 there were:

Adelaide Branch members 136;
Brisbane Branch members 69;
Hobart Branch members 54;
Launceston Branch members 22;
Melbourne Branch members 227;
Sydney Branch members 154;

Total 662

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

Sam Moody	Adelaide Secretary	01/07/17 - 30/06/18
Peter Davidson	Hobart Secretary	01/07/17 - 30/06/18
Glenn Price	Launceston Secretary	01/07/17 - 30/06/18
Alan Richards	Melbourne Secretary	01/07/17 - 30/06/18

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 2018 the number of employees of the Union was:

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

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



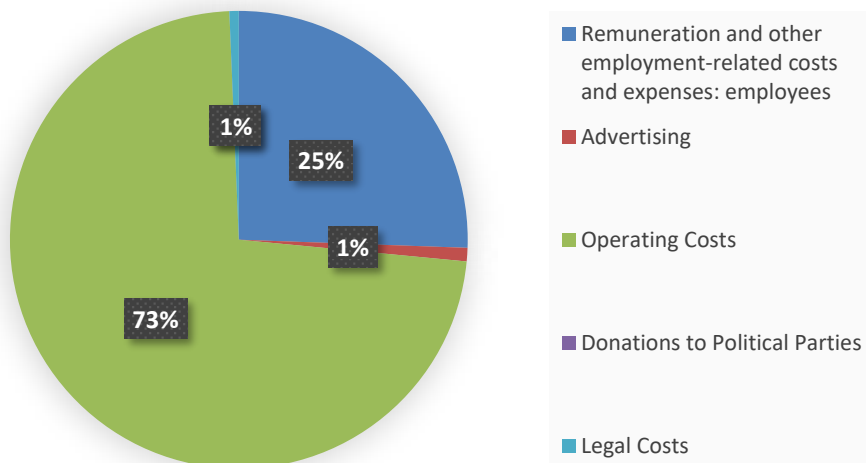
.....
Peter Davidson
Federal Secretary
Musicians' Union of Australia
17 April 2019

REPORT REQUIRED UNDER S.255(2A)

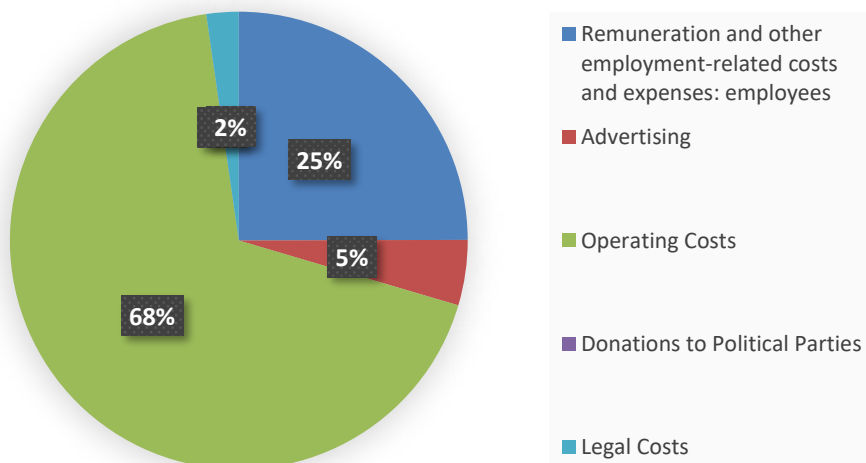
The Committee of Management, for the purposes of the *Fair Work (Registered Organisations) Act 2009* (RO Act), presents its operating report of the Musician's Union of Australia for the financial year ended 30 June 2018.

	2018	2017
Remuneration and other employment-related costs and expenses: employees	26,305	29,379
Advertising	977	5,434
Operating Costs	74,925	80,219
Donations to Political Parties	-	-
Legal Costs	681	2,684
TOTAL	102,888	117,716

2018 - Expenditure as required under s.255(2A) RO Act



2017 - Expenditure as required under s.255(2A) RO Act



Signed:



MUSICIANS' UNION OF AUSTRALIA

U4 23A King William Rd
Unley SA 5061

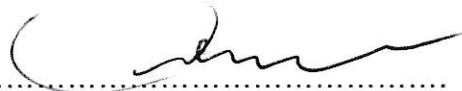
COMMITTEE OF MANAGEMENT STATEMENT

On the 15th of April 2019 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 2018.

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) 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
 - (v) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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


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

**STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
INCOME			
Capitation Fees	4(a)	705	620
Levies		-	-
Grants and/or Donations	4(b)	-	-
Membership Contributions		13,669	6,196
Import Visa Fees		51,286	61,364
Interest Received		25,687	34,032
Investment Income		-	-
Loss on Sale of Shares		-	-
Profit on Sale of Assets		-	-
Sundry Income		950	5,224
TOTAL INCOME		<u>92,297</u>	<u>107,436</u>
EXPENDITURE			
Affiliation fees	5(a)	1,617	1,584
Advertising & Promotion		977	5,434
Bank charges		883	635
Capitation fees	5(b)	705	620
Cleaning & Rubbish Removal		1,542	755
Consideration to employers for payroll deductions		-	-
Compulsory levies		-	-
Conference & meeting expenses		769	996
Depreciation		846	1,410
Employee expenses		63,002	60,231
Fees/allowances – meeting and conferences		-	-
Grants or donations		-	-
Insurance		280	-
Leave Provisions		(564)	5,993
Mortuary Benefits Paid		1,000	117
Motor vehicle expenses		-	1,242
Penalties – via RO Act or RO Regulations		-	-
Photocopying		-	-
Postage		682	1,365
Printing & Stationery		4,994	2,774
Publicity		-	-
Professional services	6	5,681	12,684
Rates & Taxes		1,823	2,007
Rent		7,884	7,762
Repairs & Maintenance		513	158
Storage & Removal		1,780	1,252
Subscriptions		432	864
Sundry Expenses		165	550
Telephone & Internet		4,476	3,617
Travel & Accommodation		2,000	4,261
Utilities		616	726
Worker's Compensation Insurance		785	678
Write-down to value of Investments		-	-
TOTAL EXPENDITURE		<u>102,888</u>	<u>117,716</u>
NET SURPLUS/ (DEFICIT) FOR THE YEAR		<u>(10,591)</u>	<u>(10,280)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(10,591)</u>	<u>(10,280)</u>

The above statement should be read in conjunction with the notes

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	1,074,657	1,093,796
Memberships Outstanding		6,618	-
Total Current Assets		<u>1,081,275</u>	<u>1,093,796</u>
Non-Current Assets			
Property, Plant & Equipment	8	2,334	3,180
Total Non-Current Assets		<u>2,334</u>	<u>3,180</u>
TOTAL ASSETS		<u>1,083,609</u>	<u>1,096,976</u>
LIABILITIES			
Current Liabilities			
Payables	9	-	3,354
Tax Liabilities	10	4,588	2,340
Employee provisions	11	23,308	23,872
Other Provisions		-	-
Other Liabilities	12	11,674	12,780
Total Current Liabilities		<u>39,570</u>	<u>42,346</u>
NET ASSETS (LIABILITIES)		<u>1,044,038</u>	<u>1,054,629</u>
EQUITY			
Reserves		1,480,993	1,480,993
Retained Profits / (Accumulated Losses)		(436,955)	(426,364)
ACCUMULATED FUNDS (LOSSES)		<u>1,044,038</u>	<u>1,054,629</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 2018**

	Reserves	Retained Profits (Losses)	Total Equity
	\$	\$	\$
Balance at 30 June 2016	<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>
Balance at 30 June 2017	<u>1,480,993</u>	<u>(426,364)</u>	<u>1,054,629</u>
Net Surplus (Deficit) for the year		(10,591)	(10,591)
Asset Revaluation Reserve	-		-
	<u>1,480,993</u>	<u>(436,955)</u>	<u>1,044,038</u>
Balance at 30 June 2018	<u>1,480,993</u>	<u>(436,955)</u>	<u>1,044,038</u>

The above statement should be read in conjunction with the notes

**STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members & Artists	12(b)	59,992	73,403
Interest received		(104,818)	34,032
Payments to suppliers and employees	12(b)	<u>25,687</u>	<u>(189,816)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	12(b)	<u>(19,139)</u>	<u>(82,380)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income		-	-
Proceeds from Sale of Building		-	-
Proceeds from Sale of Shares	12(b)	<u>-</u>	<u>-</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	12(b)	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH HELD		(19,139)	(82,380)
Cash at the beginning of the year		<u>1,093,796</u>	<u>1,176,177</u>
CASH AT THE END OF THE YEAR	12(a)	<u>1,074,657</u>	<u>1,093,796</u>

The above statement should be read in conjunction with the notes

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

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 2018 (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 2018. 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 not expected to be materially impacted by this new standard.	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 not expected to be materially impacted by this new standard.	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 not expected to be materially impacted by this new standard.	1 October 2019

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018 (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

	2018	2017
	\$	\$
4a. Capitation fees*		
MUA Melbourne Branch	135	226
MUA Sydney Branch	58	-
MUA Hobart Branch	196	202
MUA Launceston Branch	5	17
MUA Brisbane Branch	-	60
MUA Adelaide Branch	310	115
	<hr/>	<hr/>
	705	620
4b. Grants or Donations \$1,000 or Less		
Grants	-	-
Donations	-	-
Grants or Donations over \$1,000		
Grants	-	-
Donations	-	-
	<hr/>	<hr/>
	-	-

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018 (Cont'd)

5. Expenditure		
	2018	2017
	\$	\$
5a. Affiliation Fees		
SA Unions	1,617	1,584
	<u>1,617</u>	<u>1,584</u>
5b. Grants or Donations \$1,000 or less		
Grants	-	-
Donations	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Grants or Donations over \$1,000		
Grants	-	-
Donations	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
6. PROFESSIONAL SERVICES		
Auditors - Auditing the financial report	5,000	10,000
- Other Services	-	-
Legal Costs*	-	-
Litigation	-	-
Other Legal Matters	681	2,684
	<u>5,681</u>	<u>12,684</u>
7. CASH AND CASH EQUIVALENTS		
Cash at Bank	<u>1,074,657</u>	<u>1,093,796</u>
	<u>1,074,657</u>	<u>1,093,796</u>
8. PROPERTY, PLANT & EQUIPMENT		
	2018	2017
	\$	\$
(a) Furniture & Fittings		
Net book Value as at 1 July	1,981	2,302
Additions	-	-
Revaluations	-	-
Impairments	-	-
Depreciation Expense	(296)	(321)
Disposals	-	-
Net Book Value as at 30 June 2017	<u>1,685</u>	<u>1,981</u>
(b) Plant & Equipment		
Net book Value as at 1 July	1,199	2,288
Additions	-	-
Revaluations	-	-
Impairments	-	-
Depreciation Expense	(550)	(1,089)
Disposals	-	-
Net Book Value as at 30 June 2017	<u>649</u>	<u>1,199</u>

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018 (Cont'd)

	2018	2017
9. TRADE AND OTHER PAYABLES		
Trade and other payables	3,354	3,354
Other payables – legal costs	-	-
Consideration to employers for payroll deductions	-	-
	<u>3,354</u>	<u>3,354</u>
10. TAX LIABILITIES		
GST Payable	606	72
PAYG Withholding Payable	2,646	2,268
Superannuation Payable	1,336	-
	<u>4,588</u>	<u>2,340</u>
11. EMPLOYEE PROVISIONS		
Office holders		
Annual leave	7,550	7,500
Long service leave	13,373	12,577
Separation & Redundancy	-	-
Other Employee Expenses	-	-
Subtotal employee provisions—office holders	<u>20,923</u>	<u>20,077</u>
OTHER		
Annual leave	757	2,752
Long service leave	1,628	1,043
Separation & Redundancy	-	-
Other Employee Expenses	-	-
Subtotal employee provisions— other	<u>2,385</u>	<u>3,795</u>
Total employee provisions	<u>23,308</u>	<u>23,872</u>
12. OTHER LIABILITIES		
NSW Benevolent Fund	3,787	3,787
Love Never Dies Trust	2,634	3,740
Other Funds Held in Trust	5,253	5,253
	<u>11,674</u>	<u>12,780</u>

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018 (Cont'd)

	2018	2017
	\$	\$
13. CASH FLOW		
(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>1,074,657</u>	<u>1,093,796</u>
	<u>1,074,657</u>	<u>1,093,796</u>
(b) Reconciliation of cash flow from operations with Net Surplus (Deficit)		
Net Surplus (Deficit)	(10,591)	(10,280)
Depreciation	846	1,410
(Profit)/Loss on Sale of property, plant & equipment	-	-
Changes in Assets and Liabilities:		
(Increase) decrease in receivables	(6,618)	-
Increase (decrease) in payables	(3,354)	(1,918)
Increase (decrease) in other liabilities	(1,106)	(3,304)
Increase (decrease) in employee entitlements	(564)	5,993
Increase (decrease) in sundry provisions	<u>2,248</u>	<u>(74,281)</u>
CASH FLOW FROM OPERATIONS	<u>(19,139)</u>	<u>(82,380)</u>

14. 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

	2018		2017	
	<u>Non-Office Holders</u>	<u>Office Holders</u>	<u>Non-Office Holders</u>	<u>Office Holders</u>
Benefits				
Wages and Salaries	25,309	32,220	23,835	31,200
Superannuation	3,194	2,149	2,232	2,964
Leave and other entitlements	-	-	-	-
Separation and redundancies	-	-	-	-
Other Employee Expenses	-	-	-	-
TOTAL	<u>28,503</u>	<u>34,369</u>	<u>26,067</u>	<u>34,164</u>

(c) Key Management Personnel Compensation

Benefits	\$
Short-term employee benefits	32,220
Post-employment benefits	2,149
Other long-term benefits	-
Termination benefits	-
Share-based Payments	-
TOTAL	<u>34,369</u>

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018 (Cont'd)

15. 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 2018 it had \$1,074,657 of cash and cash equivalents to meet these obligations as they fall due.

Financial liabilities at 30 June 2017 totaled \$41,588

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 2018 (Cont'd)

15. 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:

30 June 2018	Floating interest rate	Non interest Bearing	Total
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	<u>1,074,657</u>	<u>-</u>	<u>1,074,657</u>
	<u>1,074,657</u>	<u>-</u>	<u>1,074,657</u>
Weighted average Interest rate			
Financial Liabilities			
Payables	<u>-</u>	<u>(3,354)</u>	<u>(3,354)</u>
Net Financial Assets (Liabilities)	<u>1,074,657</u>	<u>(3,354)</u>	<u>1,071,303</u>

Sensitivity Analysis

2018	Carrying Amount	+1.0% Profit	-1.0% Loss
	\$	\$	\$
Cash Assets	<u>1,074,657</u>	<u>10,747</u>	<u>(10,747)</u>
2017			
Cash Assets	<u>1,093,796</u>	<u>10,938</u>	<u>(10,938)</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 2018 (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

16. SUBSEQUENT EVENTS

There were no events that occurred after 30 June 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

17. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

NIL

18. 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 2018, 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' declarations and reports.

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 2018 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

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, 17th April 2019

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



13 December 2018

Mr Peter Davidson
Federal Secretary
Musicians' Union of Australia
Sent via email: peterdavidson@netspace.net.au

Dear Mr Davidson,

Lodgement of Financial Report - Reminder to lodge

The Registered Organisations Commission's (the ROC) records disclose that the financial year of the Musicians' Union of Australia (the reporting unit) ended on the 30 June 2018.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268). I note your organisation has been granted an extension of time under subsection 265(5), and therefore the financial reports must be provided to members by 31 December 2018. The financial reports must then be lodged within 14 days following the meeting of the Committee of Management.

The ROC encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the Commissioner instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the Commissioner following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$105,000 per contravention on the organisation and up to \$21,000 per contravention on an officer whose conduct led to the contravention.

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

Should you seek any clarification in relation to the above, please contact me on (03) 9954 2931 or via email at Sam.Gallichio@roc.gov.au.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Sam Gallichio'.

Sam Gallichio
Registered Organisations Commission



Australian Government
Registered Organisations Commission

27 November 2018

Mr Peter Davidson
Federal Secretary
Musicians' Union of Australia
U4 23A King William Road
UNLEY SA 5061

By email: musosa@bigpond.net.au

Dear Mr Davidson

Request by the Musicians' Union of Australia for extension of time to provide members with a copy of the financial report for the year ended 30 June 2018 (FR2018/272)

I acknowledge receipt on 20 November 2018 of a request for an extension of time to provide members of the Musicians' Union of Australia (**the reporting unit**) with a copy of the financial report for the year ended 30 June 2018.

Your letter advised that although the reporting units auditors have been provided with the required information to complete the audit, the auditor has notified the reporting unit that an additional 'few weeks' may be required to complete the report due to their significant work load.

Where the financial report is to be presented to a meeting of the committee of management, subsection 265(5)(b) of the RO Act requires that copies of the full or concise report be provided to members within 5 months of the end of the financial year, that is by 30 November 2018. Subsection 265(5) enables the Commissioner, upon application by a reporting unit, to extend the period by no more than one month.

Having considered your reasons, I allow an extension of time for a period of one month, until 31 December 2018, to provide members with the financial report of the reporting unit for the year ended 30 June 2018.

If we can assist you in any further way, please do not hesitate to contact me or Ms Joanne Fenwick on 03) 9603 0731 or via email at joanne.fenwick@roc.gov.au.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'CE', with a small horizontal line to the right.

Chris Enright
Executive Director
Registered Organisations Commission



**Musicians' Union of
Australia
Federal Office**

U4 23A King William Rd
Unley SA 5061
ph: 08 8272 5013
email: musosa@bigpond.net.au

19 November 2018

Fair Work (Registered Organisations) Act 2009 s.265(5) Application for extension of time

I hereby apply under s.265(5) of the Fair Work (Registered Organisations) Act 2009 for an extension of the period(s) referred to in subsections 265(5)(a) and (b) by one month, that is, for the purposes of providing copies of the full report of the Musicians' Union of Australia (Federal Office and Branches) for the financial year ended 30 June 2018 to the members of the Union and presenting it to the meeting as required by section 266.

We ask for this extension on the following ground: Whilst the Union has provided our auditors with the required information to complete the Audit, we have been notified by our Auditors that an additional few weeks may be required to complete the report due to the significant work load our Auditors have been undertaking in preparing reports this financial year.

We make this application as an indication of our commitment to time-frame compliance. Please contact me if you require any further information.

Kind regards

Peter Davidson
Federal Secretary
Musicians' Union of Australia