



# **THE MARITIME UNION OF AUSTRALIA**

**AND ITS SUBSIDIARY AND BRANCHES**

ABN 93 047 659 794

## **FINANCIAL REPORT**

FOR THE YEAR ENDED

AS AT 30 JUNE 2017

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

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**THE MARITIME UNION OF AUSTRALIA**  
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**OPERATING REPORT**

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Your National Council present their consolidated report on the Maritime Union of Australia ("Union"), consisting of the National Branch of the Union ("Federal"), the State Branches of the Union and the subsidiary company of the Union (MUA HTS Pty Limited) for the financial year ended 30 June 2017.

**Union Officials**

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

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

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

During the financial year all Officials attended the National Council meeting with no apologies.

**Review of Operations**

The consolidated total comprehensive loss of the Union for the financial year amounted to \$2,028,729 (2016: \$4,349,717 surplus).

The number of members of the Union at the end of the financial year was 12,587 (2016: 13,262).

The number of employees of the reporting unit at the end of the financial year was 92 (2016: 95).

The right of members to resign from the organisation is set out at Section 11 of the Union's rules.

**Significant Changes in State of Affairs**

No significant changes in the Union's state of affairs occurred during the financial year.

**Principal Activities**

The principal activities of the Union during the financial year was the provision of Trade Union services to its members. The Objects of the Union are set out in Section 4 of the Union's Rules. No significant change in the nature of these activities occurred during the year.

**THE MARITIME UNION OF AUSTRALIA  
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**OPERATING REPORT**

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**Rights of Members to Resign**

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

**Events Subsequent to the End of the Reporting Period**

There has not arisen in the interval between the reporting date and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Officials of the Union, to affect significantly the operations of the Union the results of those operations, or the state of affairs of the Union, in future financial years.

**Proceedings on Behalf of the Union**

No person has applied for leave of Court to bring proceedings on behalf of the Union or intervene in any proceedings to which the Union is a party for the purpose of taking responsibility on behalf of the Union for all or any part of those proceedings.

**Indemnification of Officers**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Union.

**Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 5 of the report.

**Superannuation Fund Office Holders**

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

Crumlin, P

Newlyn, J

Tracey, W

Garrett, P

Signed in accordance with a resolution of the National Council:

Dated this 24th day of October 2017



**P. Crumlin**  
National Secretary



**W. Tracey**  
Deputy National Secretary



**AUDITOR'S INDEPENDENCE DECLARATION TO THE NATIONAL COUNCIL OF THE MARITIME UNION OF AUSTRALIA AND ITS SUBSIDIARY**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report.

Dated at Sydney on the 1st of November 2017

A handwritten signature in black ink that reads 'ESV'.

**ESV Accounting and Business Advisors**

A handwritten signature in black ink that reads 'Tim Valtwies'.

**Tim Valtwies**  
**Partner**

**Registration number: AA2017/92**

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

	Note	Consolidated		Federal	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>Operating activities</b>					
Revenues	2	19,385,926	21,368,796	17,603,138	19,119,194
Employee benefits expense	3	(11,308,672)	(11,548,987)	(11,259,835)	(11,441,348)
Finance Cost		(398,479)	(303,234)	(398,479)	(303,234)
Depreciation and amortisation expenses	3	(883,280)	(1,015,756)	(817,400)	(968,307)
All other expenses	3	(9,852,321)	(10,966,570)	(8,204,154)	(9,483,894)
<b>Net (deficits) from operating activities</b>		<b>(3,051,826)</b>	<b>(2,465,751)</b>	<b>(3,076,730)</b>	<b>(3,077,589)</b>
<b>Non-operating activities</b>					
Other income/(expenses)	2 (a)	1,028,097	(682,445)	979,861	(716,586)
<b>Net surplus/(deficit) from non-operating activities</b>		<b>1,028,097</b>	<b>(682,445)</b>	<b>979,861</b>	<b>(716,586)</b>
<b>Net (deficit) for the year</b>		<b>(2,023,729)</b>	<b>(3,148,196)</b>	<b>(2,096,869)</b>	<b>(3,794,175)</b>
<b>Other comprehensive income</b>					
Gain on revaluation of land and buildings		-	7,497,913	-	7,513,263
<b>Total comprehensive income for the year</b>		<b>(2,023,729)</b>	<b>4,349,717</b>	<b>(2,096,869)</b>	<b>3,719,088</b>

The accompanying notes form part of the financial statements.

**THE MARITIME UNION OF AUSTRALIA**  
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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

	Note	Consolidated		Federal	
		2017 \$	2016 \$	2017 \$	2016 \$
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	5,364,169	4,870,216	651,026	949,096
Inventories on hand	6	180,612	203,639	74,202	105,167
Trade and other receivables	7	1,457,910	1,852,609	1,422,111	1,624,070
Investments	8	7,252,934	6,305,468	6,090,569	5,397,156
Assets held for sale	9	-	3,207,471	-	3,207,471
<b>TOTAL CURRENT ASSETS</b>		<b>14,255,625</b>	<b>16,439,403</b>	<b>8,237,908</b>	<b>11,282,960</b>
<b>NON-CURRENT ASSETS</b>					
Trade and other receivables	7	95,261	104,540	110,261	119,540
Property, plant and equipment	9	37,847,324	38,064,784	36,948,197	37,140,008
Investment property	10	3,600,000	3,600,000	2,736,000	2,736,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>41,542,585</b>	<b>41,769,324</b>	<b>39,794,458</b>	<b>39,995,548</b>
<b>TOTAL ASSETS</b>		<b>55,798,210</b>	<b>58,208,727</b>	<b>48,032,366</b>	<b>51,278,508</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	11	3,556,267	4,061,047	3,993,305	5,265,569
Employee Provisions	12	2,584,705	2,616,106	2,584,705	2,616,106
Borrowings	13	394,506	1,008,328	394,506	1,008,328
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,535,478</b>	<b>7,685,481</b>	<b>6,972,516</b>	<b>8,890,003</b>
<b>NON-CURRENT LIABILITIES</b>					
Employee Provisions	12	714,949	593,542	714,949	593,542
Borrowings	13	6,407,324	5,760,517	6,407,324	5,760,517
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>7,122,273</b>	<b>6,354,059</b>	<b>7,122,273</b>	<b>6,354,059</b>
<b>TOTAL LIABILITIES</b>		<b>13,657,751</b>	<b>14,039,540</b>	<b>14,094,789</b>	<b>15,244,062</b>
<b>NET ASSETS</b>		<b>42,140,459</b>	<b>44,169,187</b>	<b>33,937,577</b>	<b>36,034,446</b>
<b>MEMBERS' FUNDS</b>					
Fighting fund reserve	14	18,739	18,739	18,739	18,739
Revaluation reserve		9,785,844	10,347,879	9,801,194	10,363,229
Other reserves	14	1,681,732	1,641,411	-	-
Retained surplus		30,654,144	32,161,158	24,117,644	25,652,478
<b>TOTAL MEMBERS' FUNDS</b>		<b>42,140,459</b>	<b>44,169,187</b>	<b>33,937,577</b>	<b>36,034,446</b>

The accompanying notes form part of the financial statements.

**THE MARITIME UNION OF AUSTRALIA**  
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**STATEMENT OF CHANGES IN MEMBERS' FUNDS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Fighting Fund Reserve	Revaluation Reserve	General Reserves	Retained Surplus	Total Funds
	\$	\$	\$	\$	\$
<b>CONSOLIDATED</b>					
<b>At 1 July 2015</b>	18,739	2,849,966	2,809,927	34,140,838	39,819,470
Net (deficit) for the year	-	-	90,883	(3,239,079)	(3,148,196)
Other comprehensive income	-	7,497,913	-	-	7,497,913
Total comprehensive income/(loss)	-	7,497,913	90,883	(3,239,079)	4,349,717
Transfer to/(from) reserves	-	-	(1,259,399)	1,259,399	-
<b>At 30 June 2016</b>	<b>18,739</b>	<b>10,347,879</b>	<b>1,641,411</b>	<b>32,161,158</b>	<b>44,169,187</b>
Net (deficit) for the year	-	-	29,616	(2,058,344)	(2,028,728)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	29,616	(2,058,344)	(2,028,728)
Transfer to/(from) reserves	-	(562,035)	10,705	551,330	-
<b>At 30 June 2017</b>	<b>18,739</b>	<b>9,785,844</b>	<b>1,681,732</b>	<b>30,654,144</b>	<b>42,140,459</b>
<b>FEDERAL</b>					
<b>At 1 July 2015</b>	18,739	2,849,966	82,920	29,363,733	32,315,358
Net (deficit) for the year	-	-	-	(3,794,175)	(3,794,175)
Other comprehensive income	-	7,513,263	-	-	7,513,263
Total comprehensive income	-	7,513,263	-	(3,794,175)	3,719,088
Transfer to/(from) reserves	-	-	(82,920)	82,920	-
<b>At 30 June 2016</b>	<b>18,739</b>	<b>10,363,229</b>	<b>-</b>	<b>25,652,478</b>	<b>36,034,446</b>
Net (deficit) for the year	-	-	-	(2,096,869)	(2,096,869)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	(2,096,869)	(2,096,869)
Transfer to/(from) reserves	-	(562,035)	-	562,035	-
<b>At 30 June 2017</b>	<b>18,739</b>	<b>9,801,194</b>	<b>-</b>	<b>24,117,644</b>	<b>33,937,577</b>

The accompanying notes form part of the financial statements.



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

	Note	Consolidated		Federal	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Receipts from members		18,352,502	17,718,135	18,332,528	18,822,079
Payments to suppliers and employees		(22,662,157)	(22,646,771)	(23,058,875)	(22,437,542)
Cashflow to/from other reporting units		-	-	-	-
Interest Received		58,968	103,557	10,056	3,766
Commission Received		253,519	191,192	24,484	28,782
Rent received		1,437,122	1,140,746	1,408,089	1,111,544
Other receipts		1,089,885	455,094	774,598	220,352
Donations paid		(638,235)	(263,413)	(369,215)	(227,441)
Donations received		383,649	1,173,378	88,347	570,520
<b>Net cash (used in) operating activities</b>	15(b)	<b>(1,724,747)</b>	<b>(2,128,082)</b>	<b>(2,789,988)</b>	<b>(1,907,940)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Interest received from investments		-	3,368	-	-
Increase in term deposits		(418,231)	-	-	-
Proceeds from disposal of managed investments		687,741	3,195,000	500,000	3,195,000
Proceeds from sale of property, plant and equipment		2,671,244	90,243	2,665,791	90,243
Purchase of property, plant and equipment	9	(368,625)	(3,621,693)	(321,379)	(3,571,467)
Purchase of investment property	10	-	(188,842)	-	(188,842)
<b>Net cash provided by/(used in) investing activities</b>		<b>2,572,129</b>	<b>(521,924)</b>	<b>2,844,412</b>	<b>(475,066)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from borrowings		32,985	3,037,070	32,985	3,037,070
Repayment of borrowings		(398,479)	(508,138)	(398,479)	(508,028)
Net repayment of official loan/member's loan		12,066	7,327	13,000	8,979
<b>Net cash (used in)/provided by financing activities</b>		<b>(353,428)</b>	<b>2,536,259</b>	<b>(352,494)</b>	<b>2,538,021</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>493,954</b>	<b>(113,747)</b>	<b>(298,070)</b>	<b>155,015</b>
<b>Cash and cash equivalent at the beginning of the financial year</b>		<b>4,870,216</b>	<b>4,983,963</b>	<b>949,096</b>	<b>794,081</b>
<b>Cash and cash equivalent at the end of the financial year</b>	15(a)	<b>5,364,170</b>	<b>4,870,216</b>	<b>651,026</b>	<b>949,096</b>

The accompanying notes form part of the financial statements.

**THE MARITIME UNION OF AUSTRALIA**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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**1. Summary of Significant Accounting Policies**

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

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

The financial report of The Maritime Union of Australia and its subsidiary and Branches for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the National Council on the 24th October 2017.

**Basis of Preparation**

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS) as issued by the IASB. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**(a) Basis of Consolidation**

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by The Maritime Union of Australia at the end of the reporting period. A controlled entity is any entity over which The Maritime Union of Australia has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Union during the year, the financial performance of those entities is included only for the period of the year that they were controlled.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Summary of Significant Accounting Policies (cont)**

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

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

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

**c) Income Tax**

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

**d) Revenue**

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

Revenue from member contributions is recognised on an accrual basis. These comprise of actual contributions received during the year and contributions due from members and those paid in advance at reporting date.

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

When a grant revenue is received whereby the Union has the obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise, the grant is recognised as income on receipt.

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

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

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

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity. Any advanced receipts of revenue are recorded as revenue in advance as a liability.

All revenue is stated net of the amount of GST.

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

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**1. Summary of Significant Accounting Policies (cont)**

**e) Employee Benefits**

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

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

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

**f) Leases**

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

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

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

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

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

**g) Borrowing Costs**

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

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

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

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

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**1. Summary of Significant Accounting Policies (cont)**

**i) Financial Instruments**

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

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

**Financial Assets**

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

***Fair value through profit or loss***

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

A financial asset is classified as held for trading if:

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

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

***Held-to-maturity investments***

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

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

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**1. Summary of Significant Accounting Policies (cont)**

**i) Financial Instruments (cont)**

***Loan and receivables***

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

***Effective interest method***

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

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

***Impairment of financial assets***

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

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

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

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

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

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**1. Summary of Significant Accounting Policies (cont)**

**i) Financial Instruments (cont)**

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

***Derecognition of Financial Assets***

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

**Financial Liabilities**

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

***Other financial liabilities - borrowings***

Loans and borrowings, are initially measured at fair value of consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

***Derecognition of financial liabilities***

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

**j) Property, Plant and Equipment**

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

**Property**

Freehold land and buildings are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. Following initial recognition at cost, freehold land and buildings are shown at their fair value, based on periodic, at least every 5 years valuations by external independent valuers, less subsequent depreciation and impairment for buildings.

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**1. Summary of Significant Accounting Policies (cont)**

**j) Property, Plant and Equipment (cont)**

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited to the revaluation surplus in equity, any revaluation decrements are initially taken to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter, the decrements are taken to profit and loss.

**Plant and equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by the National Council to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Union and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<b>Class of fixed asset</b>		<b>Effective life (years)</b>	<b>Depreciation Rate</b>
Buildings	40	- 40	2.50%
Plant and Equipment	15	- 15	6.85%
Office Equipment	5	- 5	20.0%
Office Furniture	6.6	- 6.6	15.0%
Motor Vehicles	8	- 8	12.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

**Derecognition**

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.



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**1. Summary of Significant Accounting Policies (cont)**

**k) Investment Properties**

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

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

Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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

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

**l) Impairment of Non-Current Assets**

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the MUA were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**m) Non-Current Assets Held for Sale**

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

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

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**1. Summary of Significant Accounting Policies (cont)**

**n) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

**o) Inventories on Hand**

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

**p) Trade and Other Receivables**

Trade and other receivables include amounts due from member contributions as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

**q) Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Union during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**r) Accrued Expenditure**

Accruals are recognised when there is a definitive commitment and where an obligation for the Union has arisen. Usually the Union accrues for the international conferences, election expenses, legal fees, and any other payables for which the Union has an estimate. Estimates are based on past year trends and current factors which may have an impact on the Union's obligations. During the current financial year the Union accrued for Union elections, international and national conferences.

**s) Critical Accounting Estimates and Judgements and Key Sources of Estimation Uncertainty**

*Estimation of useful lives of assets*

The Union determines the estimated useful lives and related depreciation of assets. The useful lives can change from time to time due to technical innovations or some other events.

*Long service leave provision*

Long service leave is recognised and measured at present value of the estimated future cash flow to be made in respect of employees at the reporting date. In determining the present value of the liability, estimates of attribution rates, inflation and the probability of entitlement paid outs are taken into account.

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**1. Summary of Significant Accounting Policies (cont)**

**s) Critical Accounting Estimates and Judgements and Key Sources of Estimation Uncertainty (cont)**

*Fair value measurement hierarchy*

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

**t) Information to be Provided to Members or the General Manager**

In accordance with the requirements of the *Fair Work (Registered Organisation) Act 2009* the attention of members is drawn to the following sub sections of Section 272 of the Act which read as follows:

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

**u) Comparative Figures**

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

Where the Union has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional Statement of Financial Position as at the beginning of the earliest comparative period will be disclosed.

**v) Contingent Liabilities and Contingent Assets**

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

**w) Going Concern**

The MUA is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

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**NOTES TO THE FINANCIAL STATEMENTS  
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	Consolidated		Federal	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>2. Revenue</b>				
<b>Operating activities</b>				
Union contributions	14,249,505	16,082,822	14,257,051	16,092,715
Special purpose levies received	1,121,677	1,156,980	1,121,677	1,156,980
Special purpose levies paid	-	-	(1,121,677)	(1,156,980)
MJLFF levies received (refer to 2b)	1,027,814	1,155,120	1,027,814	1,155,120
Donations	383,649	1,173,377	88,347	570,520
Consulting fees	400,181	315,321	400,181	315,321
Rent received	762,072	526,467	732,517	497,265
Union sales	88,129	101,287	56,891	41,162
Expenses recouped	857,773	60,250	857,773	60,250
Commission Income	53,519	55,876	24,484	28,782
Sundry income	441,607	741,296	158,080	358,059
Grants	-	-	-	-
Receipts from other reporting units	-	-	-	-
Capitation fees received	-	-	-	-
<b>Total revenue</b>	<b>19,385,926</b>	<b>21,368,796</b>	<b>17,603,138</b>	<b>19,119,194</b>
<b>(a) Income &amp; Expenses from Non-operating Activities</b>				
Gain/(loss) from financial assets at fair value through profit and loss	787,578	(817,600)	786,194	(818,351)
Dividend income on managed funds	408,432	365,034	408,432	365,034
Interest received on deposits	58,968	91,646	10,056	(255)
Interest received on loans	3,721	4,021	3,721	4,021
Foreign exchange gain/(loss)	8,928	(6,761)	8,928	(6,761)
(Loss) on sale of non-current assets	(239,530)	(36,722)	(237,470)	(36,722)
Gain/(loss) on revaluation of investment property	-	(282,063)	-	(223,552)
<b>Other income</b>	<b>1,028,097</b>	<b>(682,445)</b>	<b>979,861</b>	<b>(716,586)</b>
<b>(b) Maritime Jobs Legal Fighting Fund (MJLFF)</b>				
The purpose of the MJLFF is to raise funds and assist in contesting strategic litigation when required in the event that a judgment from the Court or law from the Parliament is contrary to the labour, human and civil rights and interests of the MUA, its officers and its members. The fund has been fully utilised and the balance as at year end is NIL (2016: NIL).				
<b>3. Expenses</b>				
<b>Depreciation for non-current assets</b>				
Buildings and investment property	307,766	457,836	263,657	428,509
Plant and equipment	575,514	557,920	553,743	539,798
<b>Total depreciation</b>	<b>883,280</b>	<b>1,015,756</b>	<b>817,400</b>	<b>968,307</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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	Consolidated		Federal	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Employee benefits</b>				
<i>Officials</i>				
Salaries and wages	3,704,560	3,824,406	3,704,560	3,824,406
Annual leave entitlement	(17,977)	646,764	(17,977)	646,764
Long service leave entitlement	173,253	(260,316)	173,253	(260,316)
Superannuation contributions	573,916	586,191	573,916	586,191
Separation and redundancies	-	-	-	-
Other employment costs	497,160	520,844	490,067	505,137
	<b>4,930,912</b>	<b>5,317,889</b>	<b>4,923,819</b>	<b>5,302,182</b>
<i>Other employees</i>				
Salaries and wages	4,397,575	4,848,513	4,397,575	4,848,513
Annual leave entitlement	235,807	(323,770)	235,807	(323,770)
Long service leave entitlement	153,230	176,603	153,230	176,603
Superannuation contributions	604,606	649,513	604,606	649,513
Staff and member training	64,072	111,663	61,414	109,181
Separation and redundancies	280,626	40,012	280,626	40,012
Other employment costs	641,844	728,564	602,758	639,114
	<b>6,377,760</b>	<b>6,231,098</b>	<b>6,336,016</b>	<b>6,139,166</b>
<b>Total employee benefits</b>	<b>11,308,672</b>	<b>11,548,987</b>	<b>11,259,835</b>	<b>11,441,348</b>
<b>Other operating expenses</b>				
Affiliation fees and levies				
ACTU Affiliation	80,619	69,328	80,619	69,328
Australian Labour Party	95,316	80,217	95,316	80,017
ITF Seafarers	38,641	40,032	38,641	40,032
Unions NSW - Trades & Labour Council	17,574	17,610	17,574	17,610
Unions NT - Trades & Labour Council	2,516	3,235	2,516	2,894
Unions QLD - Trades & Labour Council	-	(702)	-	(802)
Unions SA - Trades & Labour Council	10,534	7,868	10,534	7,868
Unions TAS - Trades & Labour Council	4,165	4,102	4,165	4,102
Unions VIC - Trades & Labour Council	20,229	11,454	20,229	11,454
Unions WA - Trades & Labour Council	31,791	34,424	30,043	34,424
Other Affiliations	43,958	20,813	19,531	6,659
	<b>345,343</b>	<b>288,381</b>	<b>319,168</b>	<b>273,586</b>
Consideration to employers for payroll deductions	-	-	-	-
Capitation fees paid	-	-	-	-
Compulsory levies paid	-	-	-	-
Penalties - via RO Act or RO Regulations	-	-	-	-
Grants	-	-	-	-

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	Consolidated		Federal	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Other operating expenses, continued</b>				
Conferences and meeting expenses	1,228,928	697,131	740,102	621,571
Fees/allowances - conferences and meetings	275,590	299,511	217,310	223,680
Travelling	957,187	1,810,754	860,995	1,623,896
Other membership services	941,179	1,399,635	583,359	915,674
IT and Telecommunications Expense	922,969	896,302	901,165	887,838
Occupancy & rental expenses	1,299,687	1,243,503	1,241,976	1,180,611
Administration expenses	1,637,709	1,665,712	1,396,546	1,378,656
<i>Donations</i>				
- Total paid that were \$1,000 or less	73,750	96,837	10,301	11,168
- Total paid that exceeded \$1,000	574,635	410,623	358,914	216,273
	648,385	507,460	369,215	227,441
<i>Legal expenses</i>				
- Litigation	1,448,425	1,957,369	1,427,450	1,951,127
- Other legal expense	27,144	68,273	27,094	68,176
	1,475,569	2,025,642	1,454,544	2,019,303
<b>4. Remuneration of auditors</b>				
- Audit services	115,000	130,000	115,000	130,000
- Other services	4,774	1,134	4,774	1,134
	119,774	131,134	119,774	131,134
<b>5. Cash and Cash Equivalents</b>				
Cash at banks and on hand	2,122,904	3,640,177	651,026	949,096
Deposits at call	3,241,265	1,230,039	-	-
	5,364,169	4,870,216	651,026	949,096
<b>6. Inventories on Hand</b>				
Union Merchandise	180,612	203,639	74,202	105,167
	180,612	203,639	74,202	105,167

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	Note	Consolidated		Federal	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>7. Trade and Other Receivables</b>					
CURRENT					
Trade debtors		398,109	555,469	414,931	550,727
Accrued contributions		758,099	903,728	758,099	903,728
Loan to Officials		13,000	13,000	13,000	13,000
Loan to Members		17,951	16,867	-	-
Other receivables		44,638	406,343	12,517	206,343
Prepayments		287,901	70,585	280,352	63,655
Receivable from other reporting unit		-	-	-	-
Receivable from other related parties		-	-	-	-
Provision for doubtful debts		( 61,788)	( 113,383)	( 56,788)	( 113,383)
		<u>1,457,910</u>	<u>1,852,609</u>	<u>1,422,111</u>	<u>1,624,070</u>
NON-CURRENT					
Amount due from subsidiary	<b>19</b>	-	-	15,000	15,000
Loans to Officials	<b>7(a)</b>	95,261	104,540	95,261	104,540
		<u>95,261</u>	<u>104,540</u>	<u>110,261</u>	<u>119,540</u>
		<u>1,553,171</u>	<u>1,957,149</u>	<u>1,532,372</u>	<u>1,743,610</u>
<b>(a) Loans to Officials</b>					
Repayments paid during the year		13,000	13,000	13,000	13,000

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

- Dean Summers

The loan is secured by mortgage over a residential property and are made on normal commercial terms and conditions. The total interest received on loans to Officials for the year was \$3,721 (2016: \$4,021).

**8. Investments**

Managed funds at market value	6,058,939	5,535,909	6,058,939	5,371,731
Short term deposits	1,162,346	744,115	-	-
Shares - other entities	31,649	25,444	31,629	25,424
Shares in subsidiary	-	-	1	1
	<u>7,252,934</u>	<u>6,305,468</u>	<u>6,090,569</u>	<u>5,397,156</u>

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**9. Property, Plant and Equipment**

**(a) Consolidated**

**Cost:**

	Land & Buildings	Plant & Equipment	Office Equipment	Office Furniture	Motor Vehicles	Total
Balance at 1 July 2016	35,797,449	1,094,578	2,237,269	1,242,977	1,720,098	42,092,371
Additions	97,576	152,064	26,042	24,008	68,935	368,625
Disposals	-	(7,907)	-	-	(74,062)	(81,969)
Revaluation	-	-	-	-	-	-
Reversal of Depreciation	-	-	-	-	-	-
Reclassification from Assets Held for Sale	340,000	-	-	-	-	340,000
<b>Balance at 30 June 2017</b>	<b>36,235,025</b>	<b>1,238,735</b>	<b>2,263,311</b>	<b>1,266,985</b>	<b>1,714,971</b>	<b>42,719,027</b>

**Accumulated Depreciation:**

Balance at 1 July 2016	(108,012)	(666,160)	(1,666,130)	(906,609)	(680,675)	(4,027,587)
Depreciation	(307,766)	(62,890)	(205,341)	(109,160)	(198,123)	(883,280)
Disposals	-	892	-	-	38,272	39,164
Reversal of Depreciation	-	-	-	-	-	-
<b>Balance at 30 June 2017</b>	<b>(415,778)</b>	<b>(728,158)</b>	<b>(1,871,471)</b>	<b>(1,015,769)</b>	<b>(840,526)</b>	<b>(4,871,703)</b>

**Carrying Value**

As at 30 June 2016	35,689,437	428,418	571,139	336,368	1,039,423	38,064,784
<b>As at 30 June 2017</b>	<b>35,819,247</b>	<b>510,577</b>	<b>391,840</b>	<b>251,216</b>	<b>874,445</b>	<b>37,847,324</b>

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

As at 30 June 2016 we had classified four properties as Assets Held For Sale amounting to \$3,207,471. During the financial year three of the four assets were sold resulting in a loss of \$237,470. The unsold asset was reclassified to land and buildings.



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**9. Property, Plant and Equipment**

**(b) Federal**

**Cost:**

	Land & Buildings	Plant & Equipment	Office Equipment	Office Furniture	Motor Vehicles	Total
Balance at 1 July 2016	34,965,894	1,026,869	2,237,269	1,221,577	1,619,612	41,071,221
Additions	65,196	142,198	26,042	19,008	68,935	321,379
Disposals	-	-	-	-	(74,062)	(74,062)
Revaluation	-	-	-	-	-	-
Reversal of Depreciation	-	-	-	-	-	-
Reclassification from Assets Held for Sale	340,000	-	-	-	-	340,000
<b>Balance at 30 June 2017</b>	<b>35,371,090</b>	<b>1,169,067</b>	<b>2,263,311</b>	<b>1,240,585</b>	<b>1,614,485</b>	<b>41,658,538</b>

**Accumulated Depreciation:**

Balance at 1 July 2016	(105,667)	(637,993)	(1,666,130)	(885,602)	(635,821)	(3,931,213)
Depreciation	(263,657)	(54,394)	(205,341)	(108,281)	(185,727)	(817,400)
Disposals	-	-	-	-	38,272	38,272
Reversal of Depreciation	-	-	-	-	-	-
<b>Balance at 30 June 2017</b>	<b>(369,324)</b>	<b>(692,387)</b>	<b>(1,871,471)</b>	<b>(993,883)</b>	<b>(783,276)</b>	<b>(4,710,341)</b>

**Carrying Value**

As at 30 June 2016	34,860,227	388,876	571,139	335,975	983,791	37,140,008
<b>As at 30 June 2017</b>	<b>35,001,766</b>	<b>476,680</b>	<b>391,840</b>	<b>246,702</b>	<b>831,209</b>	<b>36,948,197</b>

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

As at 30 June 2016 we had classified four properties as Assets Held For Sale amounting to \$3,207,471. During the financial year three of the four assets were sold resulting in a loss of \$237,470. The unsold asset was reclassified to land and buildings.

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	Consolidated		Federal	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>10. Investment Property</b>				
Land	3,600,000	3,600,000	2,736,000	2,736,000
Less: Accumulated Depreciation	-	-	-	-
<b>Total Investment Property</b>	<b>3,600,000</b>	<b>3,600,000</b>	<b>2,736,000</b>	<b>2,736,000</b>
Investment property is stated at fair value, which has been determined based on valuations as at 30 June 2016 performed by Gentle & Co Pty Ltd, an accredited independent valuer. The fair value of the properties have been determined on transactions observable in the market. The highest and best use is not considered to be different from its current use.				
<b>11. Trade and Other Payables</b>				
Trade creditors	846,828	2,127,649	1,002,865	2,350,585
Other Creditors	62,307	4,443	343,308	986,029
Legal costs - Other Matters	-	-	-	-
Legal costs - Litigations	185,757	370,652	185,757	370,652
Accruals and other provisions	406,554	26,550	406,554	26,550
Deferred contributions	627,323	754,637	627,323	754,637
Revenue in advance	1,289,851	614,279	1,289,851	614,279
Consideration to employers for payroll deduction	-	-	-	-
Payable to other related parties	137,647	162,837	137,647	162,837
Payable to other reporting unit	-	-	-	-
	<b>3,556,267</b>	<b>4,061,047</b>	<b>3,993,305</b>	<b>5,265,569</b>
<b>12. Employee Provisions</b>				
<b>CURRENT</b>				
Annual leave				
Officials	821,056	985,570	821,056	985,570
Employees	886,269	807,958	886,269	807,958
Long service leave				
Officials	455,306	400,864	455,306	400,864
Employees	422,074	421,714	422,074	421,714
Separation and redundancies	-	-	-	-
Others	-	-	-	-
	<b>2,584,705</b>	<b>2,616,106</b>	<b>2,584,705</b>	<b>2,616,106</b>
<b>NON-CURRENT</b>				
Officials				
Long service leave	299,219	229,763	299,219	229,763
Separation and redundancies	-	-	-	-
Others	-	-	-	-
Employees				
Long service leave	415,730	363,779	415,730	363,779
Separation and redundancies	-	-	-	-
Others	-	-	-	-
	<b>714,949</b>	<b>593,542</b>	<b>714,949</b>	<b>593,542</b>
<b>Aggregate employee benefit liability</b>	<b>3,299,654</b>	<b>3,209,648</b>	<b>3,299,654</b>	<b>3,209,648</b>

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	2017	2016	2017	2016
	\$	\$	\$	\$
<b>13. Borrowings</b>				
Current	394,506	1,008,328	394,506	1,008,328
Noncurrent	6,407,324	5,760,517	6,407,324	5,760,517
	<b>6,801,830</b>	<b>6,768,845</b>	<b>6,801,830</b>	<b>6,768,845</b>

These loans are secured by a mortgage over one of the Union's land and building with carrying value of \$13,000,000 (2016: \$13,000,000).

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

**14. Fighting Fund Reserve**

The fighting fund was set up to advance the defence of the Union's interest. Ongoing contributions to the fighting fund by the Union will be dependent on prevailing requirements.

	<b>18,739</b>	<b>18,739</b>	<b>18,739</b>	<b>18,739</b>
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**Other Reserves**

Appeal and Welfare Fund	951,187	938,017	-	-
Point Peron Fund	60,114	42,501	-	-
State Conference Reserve	10,705	-	-	-
Sustenance Fund	499,689	499,689	-	-
Special Purpose Fund	6,683	6,683	-	-
Sick and Accident Fund	101,809	103,654	-	-
Divers Fighting Fund	51,543	50,865	-	-
	<b>1,681,730</b>	<b>1,641,409</b>	-	-

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

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

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

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

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	Consolidated		Federal	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>15. Cash Flow Information</b>				
<b>(a) Reconciliation of Cash</b>				
Cash at the end of the financial year as shown in the Statement of Cash Flows is represented as:				
Cash at bank and on hand	2,122,904	3,754,338	651,026	949,096
Deposits at call	3,241,265	1,859,993	-	-
	<b>5,364,169</b>	<b>5,614,331</b>	<b>651,026</b>	<b>949,096</b>
<b>(b) Reconciliation of Cash Flow from Operations with Net (Deficit) for the Year</b>				
Net (deficit) for the year	( 2,028,729)	( 3,148,196)	( 2,096,869)	( 3,794,175)
<b>Adjustments for:</b>				
Depreciation	883,280	1,015,757	817,400	968,307
Amortisation of deferred rent	208,828	-	208,828	-
Bad debts	( 51,690)	-	( 56,690)	-
Foreign exchange gain	( 8,928)	-	( 8,928)	-
Loss on disposal of non current asset	239,530	36,722	237,470	36,722
Finance cost	-	303,234	-	-
Gain/(loss) from financial assets at fair value through profit and loss	( 787,578)	752,853	( 786,194)	753,604
Dividend income on managed funds	( 408,432)	( 365,034)	( 408,432)	( 365,034)
Revaluation of Investment Property	-	282,063	-	223,552
<b>Changes in assets and liabilities :</b>				
Decrease/(increase) in trade and other receivables	1,532,057	( 568,797)	645,131	( 542,299)
Decrease/(increase) in inventory	23,029	( 24,171)	30,966	( 53,393)
(Increase) in prepayments	( 217,316)	( 6,930)	(216,697)	-
Increase in trade and other payables	( 1,578,808)	545,099	( 1,625,983)	1,512,221
Decrease in provisions	470,010	( 950,679)	470,010	( 950,679)
<b>Cash flows from operations</b>	<b>( 1,724,747)</b>	<b>( 2,128,079)</b>	<b>( 2,789,988)</b>	<b>( 1,907,940)</b>

**16. Financial Risk Management**

**Specific Financial Risk Exposures and Management**

The main risks the Union is exposed to through its financial instruments are credit risk, interest rate risk and equity price risk.

**a. Credit risk**

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

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**16. Financial Risk Management (cont)**

*Credit risk exposures*

The Union has no significant concentration of credit risk with any single counterparty or group of counterparties.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position.

**b. Interest rate risk**

Exposure to interest rate risk arises on cash and investments held to maturity and long term borrowings recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

**c. Price risk**

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

The Union is exposed to securities price risk on available-for-sale investments. Such risk is managed through diversification of investments across industries and geographic locations. The Union's investments are held in diversified management fund portfolios.

*Sensitivity analysis*

The following table illustrates sensitivities to the Union's exposure to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reporting at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	<b>Profit</b>	<b>Equity</b>
	\$	\$
<b>Year ended 30 June 2017</b>		
+/- 2% in interest rates	90,237/(90,237)	90,237/(90,237)
+/- 10% in fair value of financial assets	725,293/(725,293)	725,293/(725,293)
<b>Year ended 30 June 2016</b>		
+/- 2% in interest rates	41,834/(41,834)	41,834/(41,834)
+/- 10% in fair value of financial assets	630,547/(630,547)	630,547/(630,547)

**d. Liquidity risk**

Vigilant liquidity risk management requires the Union to maintain sufficient liquid assets (mainly cash, cash equivalents and investments) to be able to pay debts as and when they become due and payable.

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

*Remaining Contractual Maturities*

The following tables detail the Union's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

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**16. Financial Risk Management (cont)**

<b>Consolidated - 2017</b>	<b>Weighted Average Effective Interest Rate %</b>	<b>1 year or less \$</b>	<b>Between 1 &amp; 2 years \$</b>	<b>Between 2 &amp; 5 years \$</b>	<b>Over 5 years \$</b>	<b>Remaining contractual maturities \$</b>
<b>Financial Liabilities</b>						
<i>Non interest bearing</i>						
Trade Payables	-	2,475,244	208,828	239,562	632,633	3,556,267
Employee provisions	-	2,584,705	243,155	471,794	-	3,299,654
<i>Interest-bearing - variable rate</i>						
Borrowings	5.80%	-	-	-	6,801,830	6,801,830
		<u>5,059,949</u>	<u>451,983</u>	<u>711,356</u>	<u>7,434,463</u>	<u>13,657,751</u>
<b>Federal - 2017</b>						
<b>Financial Liabilities</b>						
<i>Non interest bearing</i>						
Trade Payables	-	2,912,282	208,828	239,562	632,633	3,993,305
Employee provisions	-	2,584,705	243,155	471,794	-	3,299,654
<i>Interest-bearing - variable rate</i>						
Borrowings	5.80%	-	-	-	6,801,830	6,801,830
		<u>5,496,987</u>	<u>451,983</u>	<u>711,356</u>	<u>7,434,463</u>	<u>14,094,789</u>
<b>Consolidated - 2016</b>						
<b>Financial Liabilities</b>						
<i>Non interest bearing</i>						
Trade Payables	-	3,508,196	61,428	202,712	288,711	4,061,047
Employee provisions	-	2,616,106	143,474	450,068	-	3,209,648
<i>Interest-bearing - variable rate</i>						
Borrowings	5.80%	1,008,328	1,008,328	3,024,984	1,727,205	6,768,845
		<u>7,132,630</u>	<u>1,213,230</u>	<u>3,677,764</u>	<u>2,015,916</u>	<u>14,039,540</u>
<b>Federal - 2016</b>						
<b>Financial Liabilities</b>						
<i>Non interest bearing</i>						
Trade Payables	-	4,712,718	61,428	202,712	288,711	5,265,569
Employee provisions	-	2,616,106	143,474	450,068	-	3,209,648
<i>Interest-bearing - variable rate</i>						
Borrowings	5.80%	1,008,328	1,008,328	3,024,984	1,727,205	6,768,845
		<u>8,337,152</u>	<u>1,213,230</u>	<u>3,677,764</u>	<u>2,015,916</u>	<u>15,244,062</u>

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**17. Financial Instruments**

**Fair Value of financial Instruments**

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

*Fair value hierarchy*

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Consolidated - 2017</b>				
<i>Assets</i>				
Investments (managed funds)	6,090,588	-	-	6,090,588
Investment properties	-	3,600,000	-	3,600,000
Land and buildings	-	35,819,247	-	35,819,247
<b>Total assets</b>	<b>6,090,588</b>	<b>39,419,247</b>	<b>-</b>	<b>45,509,835</b>
<b>Consolidated - 2016</b>				
<i>Assets</i>				
Investments (managed funds)	5,561,353	-	-	5,561,353
Investment properties	-	3,600,000	-	3,600,000
Assets held for sale	-	3,207,471	-	3,207,471
Land and buildings	-	35,689,437	-	35,689,437
<b>Total assets</b>	<b>5,561,353</b>	<b>42,496,908</b>	<b>-</b>	<b>48,058,261</b>
<b>Federal - 2017</b>				
<i>Assets</i>				
Investments (managed funds)	6,090,588	-	-	6,090,588
Investment properties	-	2,736,000	-	2,736,000
Land and buildings	-	35,001,766	-	35,001,766
<b>Total assets</b>	<b>6,090,588</b>	<b>37,737,766</b>	<b>-</b>	<b>43,828,354</b>
<b>Federal - 2016</b>				
<i>Assets</i>				
Investments (managed funds)	5,397,155	-	-	5,397,155
Investment properties	-	2,736,000	-	2,736,000
Assets held for sale	-	3,207,471	-	3,207,471
Land and buildings	-	34,860,227	-	34,860,227
<b>Total assets</b>	<b>5,397,155</b>	<b>40,803,698</b>	<b>-</b>	<b>46,200,853</b>

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**17. Financial Instruments (cont)**

Assets and liabilities held for sale are measured at fair value on a non-recurring basis. There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

The basis of the valuation of land and buildings and investment properties is fair value. The land and buildings and investment properties were last revalued on 30 June 2016 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

<b>Consolidated</b>		<b>Federal</b>	
<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
\$	\$	\$	\$

**18. Related Party Disclosures**

The following provides the total amount of transactions that have been entered into with related parties for the financial year:

**Revenue received from related parties:**

Special Purpose levies paid to branches	-	-	1,121,677	1,156,980
Consulting fees received	400,181	315,321	400,181	315,321
Rental received	542,764	967,957	542,764	967,957
Sundry income received	857,773	455,876	857,773	228,782

**Expenses paid to related parties:**

Donations paid	-	-	-	-
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**Amounts owed by related parties:**

Amounts receivable from International Transport Federation (ITF) are disclosed in Note 7. These represent expenses that were paid by the Union on behalf of ITF.

**Amounts owed to related parties:**

Amounts payable to International Transport Federation (ITF) are disclosed in Note 11. These represent monies received in advance by the Union from the ITF for expenses to be incurred.

**Assets transferred from/to related parties**

There were no assets transferred to related parties	-	-	-	-
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**Loans from/to related parties:**

Dean Summers	<b>7(a)</b>	108,261	117,540	108,261	117,540
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Loan repayments from Union Officials have been received during the financial year.

Total repayments received	13,000	13,000	13,000	13,000
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**18. Related Party Disclosures (cont)**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

**Funds Held in Trust**

The Western Australian Branch holds monies in trust for Thomas Leslie Bradshaw (Tom Bradshaw) to be used for the welfare of the retired and sick members of the West Australian Branch of the MUA (formerly The Seamen's Union of Australia). The fund is governed by rules and are accounted for separately from the branch's normal transactions. The unaudited balance of the fund as at 30 June 2017 is \$131,795 (2016: \$137,269).

The Tasmanian Branch holds monies in trust, called the "Burnie Funeral Fund". The object of the fund is to provide funeral benefits and death benefits to existing life members and members who have made contributions to the fund in the past. The unaudited balance of the fund as at 30 June 2017 is \$160,168 (2016:

	<b>Consolidated</b>		<b>Federal</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	\$	\$	\$	\$
<b>19. Key Management Personnel Remuneration for the Reporting Period</b>				
<b>Short-term employee benefits</b>				
Salary (including annual leave taken)	2,313,053	2,268,369	2,313,053	2,268,369
Annual leave accrued	307,201	298,262	307,201	298,262
Performance bonus	-	-	-	-
<b>Total short-term employee benefits</b>	<u>2,620,254</u>	<u>2,566,631</u>	<u>2,620,254</u>	<u>2,566,631</u>
<b>Post-employment benefits:</b>				
Superannuation	323,827	362,754	323,827	362,754
<b>Total post-employment benefits</b>	<u>323,827</u>	<u>362,754</u>	<u>323,827</u>	<u>362,754</u>
<b>Other long-term benefits:</b>				
Long-service leave	75,860	73,648	75,860	73,648
Non-cash benefits	161,555	171,477	161,555	171,477
<b>Total other long-term benefits</b>	<u>237,415</u>	<u>245,125</u>	<u>237,415</u>	<u>245,125</u>
<b>Termination benefits</b>	-	-	-	-
<b>Total</b>	<u><u>3,181,496</u></u>	<u><u>3,174,510</u></u>	<u><u>3,181,496</u></u>	<u><u>3,174,510</u></u>

The key management personnel are the Elected Officials that form the National Council as per Rule 16 of the MUA Rules, and are indicated as a "National Councillor" within the Operating Report on page 3.

The number of persons reported in the key management personnel disclosure has increased from 5 in the 2016 financial report to 23 in the 2017 financial report, consequently the 2016 comparative has been adjusted.

**THE MARITIME UNION OF AUSTRALIA**  
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ABN 93 047 659 794

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

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**20. Transactions with key management personnel and their close family members**

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

**21. Controlled Entities**

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

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

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

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

**22. Segment Reporting**

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

**23. Union Details**

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

**24. Events Subsequent to Reporting Date**

There has not arisen in the interval between the reporting date and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Officials of the Union, to affect significantly the operations of the Union the results of those operations, or the state of affairs of the Union, in future financial years.

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

(1) No revenue has been derived from undertaking recovery of wages activity during the reporting period. (2016: Nil).

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FOR THE YEAR ENDED 30 JUNE 2017**

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

(2) The Union is liquid and does not rely on other reporting units/entities to continue as a going concern. No financial support was received or given to/from other reporting units/entities during or since the end financial year (2016: Nil).

(3) The Union did not acquire any assets nor liability during the financial year (2016: Nil) as a result of amalgamation, restructuring of branches, business combination or determination and revocation by the General Manager.

**26. Contingent Liabilities, Assets and Commitments**

**Contingent Liabilities**

The Union regularly engages legal action in support of its members. These cases are often ongoing pending court outcomes and are considered activities common to the Union's operations.

At 30 June 2017, there are a number of ongoing legal actions against the or taken by the Union, one of which relates to a claim by Chevron Australia Pty Ltd. Chevron claims that the MUA breached two provisions in the Fair Work Act and as a result, should be liable to pay them pecuniary penalties. As at the date of this report, it is not possible to provide a reasonable estimate of the potential liability arising from this claim.

In relation to other ongoing cases, the reasonable estimate of the amounts that the Union may or may not be liable to pay is \$100,000 (2016: \$620,000).

**Commitments**

During the financial year and the previous financial year, the Union has received advanced rental payments from the ITF and Unity Bank respectively, in relation to the lease of its office space. The advanced rent relates to the period until 30 June 2026. Should the Union cease to occupy the building, both tenants are entitled to terminate the lease and be entitled to a pro-rata refund of the rent that has been paid in advance.

	<b>Consolidated</b>		<b>Federal</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	\$	\$	\$	\$
<b>Operating lease commitments—as lessee</b>				
Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:				
Within one year	520,747	589,783	520,747	589,783
After one year but not more than five years	1,488,960	1,621,188	1,488,960	1,621,188
More than five years	756,250	1,031,250	756,250	1,031,250
	<b>2,765,957</b>	<b>3,242,221</b>	<b>2,765,957</b>	<b>3,242,221</b>
<b>Operating lease commitments—as lessor</b>				
Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:				
Within one year	115,748	137,328	115,748	137,328
After one year but not more than five years	42,887	135,256	42,887	135,256
More than five years	-	-	-	-
	<b>158,635</b>	<b>272,584</b>	<b>158,635</b>	<b>272,584</b>

**THE MARITIME UNION OF AUSTRALIA**  
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**NATIONAL COUNCIL'S STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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On 24 October 2017, the National Council of The Maritime Union of Australia passed the following resolution to the general purpose financial report (GPFR) for the year ended 30 June 2017:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with 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 Union for the financial year ended to which they relate;
- (d) there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the National Council were held in accordance with the rules of the Union; and
  - (ii) the financial affairs of the Union have been managed in accordance with the rules of the Union; and
  - (iii) the financial records of the Union have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009 (RO Act)*; and
  - (iv) where the Union consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the union; and
  - (v) where information has been sought in any request by a member of the reporting unit 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.
  - (vii) with regard to the funds of the Union raised by the compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

Signed at Sydney this 24th day of October 2017



**P. Crumlin**  
National Secretary



**W. Tracey**  
Deputy National Secretary



**INDEPENDENT AUDIT REPORT TO THE MEMBERS THE MARITIME UNION OF AUSTRALIA AND ITS  
SUBSIDIARY**

**REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

*Opinion*

We have audited the accompanying financial report of The Maritime Union of Australia, its Subsidiary and Branches (the "Union"), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in members' funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the National Council's statement.

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Union as at 30 June 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the "RO Act") and any other requirements imposed by the Reporting Guidelines.

As part of the audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the financial report 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 Union in accordance with the auditor independence 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.

*Information Other than the Financial Report and Audit Report Thereon*

The National Council is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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, 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.



### *National Council's Responsibility for the Financial Report*

The National Council of the Union (the “Council”) is responsible for the preparation and fair presentation in accordance with the Australian Accounting Standards (including Australian Accounting Interpretation) and the RO Act, and for such internal control as the Council determines 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 Council is responsible for assessing the Union’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the Union or to cease operations, or have 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 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.

## **REPORT ON THE RECOVERY OF WAGES ACTIVITY FINANCIAL REPORT**

### *Opinion on the recovery of wages activity financial report*

The scope of our work extended to the recovery of wages activity and I have audited the recovery of wages activity financial report for the year ended 30 June 2017.

In our opinion, the financial statements and notes and recovery of wages activity financial report (note 25 (1)) properly and fairly report all information required by the reporting guidelines of the General Manager, including:

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

### *Basis of Opinion*

Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards. Based on our enquiry, no revenue has been derived from undertaking recovery of wages activity during the financial period.



*Responsibilities*

The National Council is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. Our responsibility is to express an opinion on the recovery of wages activity report, based on our audit conducted in accordance with Australian Auditing Standards.

Dated at Sydney on the 1st of November 2017

*ESV*

**ESV Accounting and Business Advisors**

**Tim Valtwies**  
**Partner**

**Registration number: AA2017/92**

**THE MARITIME UNION OF AUSTRALIA  
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**ITEMISED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2017**

	Consolidated		Federal	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Operating income</b>				
Union contributions	16,398,996	18,394,922	15,284,865	17,247,835
Donations	383,649	1,173,377	88,347	570,520
Consulting fees	400,181	315,321	400,181	315,321
Rent received	762,072	526,467	732,517	497,265
Union sales	88,129	101,287	56,891	41,162
Expenses recouped	857,773	60,250	857,773	60,250
Commission income	53,519	55,876	24,484	28,782
Sundry income	441,607	741,296	158,080	358,059
<b>Total operating income</b>	<b>19,385,926</b>	<b>21,368,796</b>	<b>17,603,138</b>	<b>19,119,194</b>
<b>Compensation and benefit</b>				
Direct salaries - Officials	3,704,560	3,824,406	3,704,560	3,824,406
Direct salaries - Staff	4,397,575	4,888,525	4,397,575	4,888,525
Fringe benefits tax	123,188	125,094	123,188	125,094
Motor vehicle expenses	349,850	335,141	334,338	299,520
Payroll tax	535,698	607,825	535,698	607,825
Staff & Official training	64,072	111,663	61,414	109,181
Superannuation	1,178,522	1,235,704	1,178,522	1,235,704
Employee entitlement expense	544,313	199,268	544,313	199,268
Redundancies	280,626	40,012	280,626	40,012
Temporary staff	51,680	68,247	21,013	(1,289)
Workers compensation insurance	78,588	113,101	78,588	113,101
<b>Total compensation and benefit</b>	<b>11,308,672</b>	<b>11,548,986</b>	<b>11,259,835</b>	<b>11,441,347</b>
<b>General expenses</b>				
Audit & accountancy	224,068	140,397	223,168	139,497
Bank & government charges	145,429	91,647	143,611	89,288
Consultants	327,503	-	327,503	-
Depreciation	575,514	557,920	553,743	539,798
Donations	382,571	408,080	113,551	151,713
Insurance - general	40,246	36,684	40,246	36,684
Merchandise	171,050	249,861	68,379	60,497
National Council expenses	98,666	112,905	98,664	112,643
Office expenses	210,253	185,051	132,533	132,036
Media activities	153,432	421,875	151,227	416,783
Postage and freight	40,848	99,394	39,188	96,043
Printing and stationery	134,186	209,783	113,866	193,517
Provision for bad debts expense	61,690	113,383	56,690	113,383
Repairs and maintenance	59,520	32,002	46,912	29,190
Subscriptions, newspapers & periodicals	83,566	80,823	69,593	70,890
Sundry expenses	7,026	18,517	4,740	13,915
<b>Total general expenses</b>	<b>2,715,568</b>	<b>2,758,322</b>	<b>2,183,614</b>	<b>2,195,877</b>



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

	Consolidated		Federal	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Occupancy &amp; rental expenses</b>				
Cleaning	243,450	208,094	238,872	205,108
Building depreciation	307,766	457,836	263,657	428,509
Security	30,274	34,548	30,274	34,548
Electricity	288,117	231,355	275,541	216,581
Interest Expense	398,479	303,234	398,479	303,234
Property insurance	78,317	73,082	70,967	66,099
Property rates	317,748	373,036	301,277	357,466
Property sales and purchase costs	31,439	-	31,439	-
Property valuation fees	40,850	-	40,850	-
Rent	70,220	67,987	70,220	67,987
Repairs & Maintenance	199,272	255,401	182,536	232,822
<b>Total occupancy and rental expenses</b>	<u>2,005,932</u>	<u>2,004,573</u>	<u>1,904,112</u>	<u>1,912,354</u>
<b>Industrial &amp; member services</b>				
Affiliation fees & levies	345,344	288,381	319,168	273,586
Branch activities	328,027	429,112	19,528	91,254
Business expenses	27,111	43,919	24,804	35,330
Conferences - International	364,651	270,509	321,136	244,045
Conferences - National	956,092	479,871	503,431	429,317
Fares & travel	1,291,432	2,160,972	1,137,188	1,889,789
Funeral expenses	44,037	85,297	15,642	47,603
Legal expenses	1,475,569	2,025,643	1,454,544	2,019,303
Member training	51,726	71,466	32,513	15,031
Research & professional services	215,895	513,655	215,895	513,609
Stop work meeting expenses	(6,771)	4,274	4,133	865
Union election	30,000	30,000	30,000	30,000
Union publications	99,040	116,302	97,496	93,907
ALP donations / campaign advertising	265,814	99,380	255,664	75,728
ALP election expenses	1,644	7,583	-	-
<b>Total industrial &amp; member services</b>	<u>5,489,611</u>	<u>6,626,364</u>	<u>4,431,142</u>	<u>5,759,367</u>
<b>IT &amp; telecommunications expenses</b>				
Computer consumables	19,683	18,512	7,132	16,432
Internet expenses	297,837	286,378	297,837	286,283
IT support & maintenance	299,588	338,913	298,349	338,913
Telephone	299,841	246,685	291,827	240,396
Video and teleconference	6,020	5,814	6,020	5,814
<b>Total IT &amp; telecommunications expenses</b>	<u>922,969</u>	<u>896,302</u>	<u>901,165</u>	<u>887,838</u>
<b>Total operating expenses</b>	<u>22,442,752</u>	<u>23,834,547</u>	<u>20,679,868</u>	<u>22,196,783</u>
<b>Operating (deficit)</b>	<u>(3,056,826)</u>	<u>(2,465,751)</u>	<u>(3,076,730)</u>	<u>(3,077,589)</u>

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

	Consolidated		Federal	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Non-operating income/(expenses)</b>				
Net income/(loss) from managed funds	1,196,010	(452,566)	1,194,626	(453,317)
Interest received on deposits	58,968	91,646	10,056	(255)
Interest received on loans	3,721	4,021	3,721	4,021
Foreign exchange gain/(loss)	8,928	(6,761)	8,928	(6,761)
(Loss) on sale of non-current assets	(239,530)	(36,722)	(237,470)	(36,722)
(Loss) on revaluation of investment property	-	(282,063)	-	(223,552)
<b>Total non-operating income/(expenses)</b>	<b>1,028,097</b>	<b>(682,445)</b>	<b>979,861</b>	<b>(716,586)</b>
<b>Net (deficit)</b>	<b>(2,028,729)</b>	<b>(3,148,196)</b>	<b>(2,096,869)</b>	<b>(3,794,175)</b>
Revaluation of land and buildings	-	7,497,913	-	7,513,263
<b>Total comprehensive (loss)/income</b>	<b>(2,028,729)</b>	<b>4,349,717</b>	<b>(2,096,869)</b>	<b>3,719,088</b>

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

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

CONSOLIDATED	2017	2016	2015	2014	2013	5 Year Average
<b>Operating surplus/(deficit) before income tax</b>	(3,056,826)	(2,465,751)	(1,354,760)	(1,582,454)	2,705,573	(1,150,844)
<b>Non-operating income/(expenses)</b>						
Net income/(loss) from managed funds	1,196,010	(452,566)	1,151,487	1,162,452	1,626,376	936,752
Interest received on deposits	58,968	91,646	110,496	112,063	122,872	99,209
Interest received on loans	3,721	4,021	5,017	-	-	2,552
Foreign exchange (loss)/gain	8,928	(6,761)	14,155	-	7,436	4,752
Loss/profit on sale of non-current assets	(239,530)	(36,722)	-	-	-	(55,250)
Loss on revaluation of investment property	-	(282,063)	72,319	-	-	(41,949)
<b>Total non-operating income/(expenses)</b>	1,028,097	(682,445)	1,353,474	1,274,515	1,756,684	946,065
<b>Net surplus/(deficit)</b>	<b>(2,028,729)</b>	<b>(3,148,196)</b>	<b>(1,286)</b>	<b>(307,939)</b>	<b>4,462,258</b>	<b>(204,778)</b>
<b>Other comprehensive income</b>						
Revaluation of land and buildings	-	7,497,913	-	-	790,953	1,657,773
<b>Total comprehensive income/(loss) for the year</b>	<b>(2,028,729)</b>	<b>4,349,717</b>	<b>(1,286)</b>	<b>(307,939)</b>	<b>5,253,211</b>	<b>1,453,995</b>
<b>FEDERAL</b>						
<b>Operating surplus/(deficit) before income tax</b>	(3,076,730)	(3,077,589)	(2,255,487)	(1,897,940)	1,062,000	(1,849,149)
<b>Non-operating income/(expenses)</b>						
Net income/(loss) from managed funds	1,194,626	(453,317)	1,133,081	1,101,251	1,537,258	902,580
Interest received on deposits	10,056	(255)	2,612	-	7,436	3,970
Interest received on loans	3,721	4,021	5,017	-	-	2,552
Foreign exchange (loss)/gain	8,928	(6,761)	14,155	(9,468)	-	1,371
Loss/profit on sale of non-current assets	(237,470)	(36,722)	72,319	-	-	(40,375)
Loss on revaluation of investment property	-	(223,552)	-	-	-	-
<b>Total non-operating income/(expenses)</b>	979,861	(493,034)	1,227,185	1,091,783	2,335,647	1,028,288
<b>Net surplus/(deficit)</b>	<b>(2,096,869)</b>	<b>(3,570,623)</b>	<b>(1,028,304)</b>	<b>(806,157)</b>	<b>3,397,647</b>	<b>(820,861)</b>
<b>Other comprehensive income</b>						
Revaluation of land and buildings	-	7,289,711	-	-	790,953	1,616,133
<b>Total comprehensive income/(loss) for the year</b>	<b>(2,096,869)</b>	<b>3,719,088</b>	<b>(1,028,304)</b>	<b>(806,157)</b>	<b>3,397,647</b>	<b>637,081</b>