THE MARITIME UNION OF AUSTRALIA DIVISION

AND ITS SUBSIDIARY AND BRANCHES

CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION

ABN 93 047 659 794

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

THE MARITIME UNION OF AUSTRALIA DIVISION
AND ITS SUBSIDIARY AND BRANCHES
CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION
ABN 93 047 659 794

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OPERATING REPORT

Your Divisional National Council present their consolidated report on the Maritime Union of Australia Division ("Union") of the Construction, Forestry, Maritime, Mining and Energy Union, consisting of the National Divisional Branch of the Union, the Divisional Branches of the Union and the subsidiary company of the Union (MUA HTS Pty Limited) for the financial year ending 30 June 2021.

Union Officials

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

Ball, D ^
Bray, I ^ (resigned 25/01/21)
Bull, A ^ *
Burford, A ^
Cain, C ^ * (resigned 25/01/21, reappointed 10/06/21)
Cain, D (voluntary redundancy 28/08/20)
Campbell, J ^
Cassar, J
Carter, S ^
Clothier, C ^ *
Cross, M ^
Crumlin, P ^
Cumberlidge, S ^
Donato, N
Evans, A ^
Gallagher, P
Gakis, G (appointed 25/01/21)
Garrett, P ^
Heath, D ^ (appointed 25/01/21)
Keating, P ^
Lumsden, R
Mayor, T ^ * (resigned 10/06/21)
McAleer, P ^ (resigned 25/01/21)
Miners, J ^
Myers, M ^ *
Newlyn, J ^
Outram, D ^ *
Patchett, R
Peterson, P
Smith, W ^
Stevens, S ^
Tracey, W ^
Williams, G ^

^ Divisional National Councillor **Honorary Electorate*

Officials have been in office since the start of the period to the date of this report unless otherwise stated. During the period all Officials attended the Divisional National Council meetings with no apologies for those that they were entitled to attend.

Review of Operations

The consolidated total comprehensive income of the Union for the year amounted to $1,729,396 (2020: $43,619 loss).
The number of members of the Union at the end of the year was 11,840 (2020: 12,076).
The number of employees of the reporting unit at the end of the year was 73 (2020: 75).
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

On the 27th of March 2018, the Maritime Union of Australia (MUA) amalgamated with the Construction, Forestry, Mining and Energy Union (CFMEU). Since then, the MUA and its branches became a division of the Construction, Forestry, Maritime, Mining and Energy Union (CFMMEU) and have reported as such to the Registered Organisation Commission (ROC).

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On 28 June 2019, the General Manager of the Fair Work Commission issued a section 245 certificate to the CFMMEU deeming the MUA Divisional National Office and all of its branches are a single reporting unit, for the purpose of Part 3, Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (RO Act).

Section 248 of the RO Act provides that a certificate issued under section 245 will commence in the first financial year starting after the certificate is issued. Therefore, the first financial year that the MUA Division and all its branches are deemed a single reporting unit, will be for the financial year ended 30 June 2020.

From 1 July 2019, the MUA Divisional Office and all its divisional branches are now the parent entity in the consolidated financial report. MUA HTS Pty Limited, will be the only entity “controlled” by the MUA Division as its subsidiary. And given that the subsidiary had no transactions during the year, no additional columns were needed for parent and consolidated in this financial statement.

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.

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

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Union is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Union.

Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Union, the results of those operations, or the state of affairs of the Union in subsequent financial periods.

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.

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OPERATING REPORT

Auditor's Independence Declaration
The auditor's independence declaration for the year has been received and can be found on page 6 of the report.

Superannuation Fund Office Holders
The following Officials and members were trustees or directors of a company that acted as a trustee or alternate trustee of Maritime Super:

Crumlin, P
Tracey, W
Bull, A
Newlyn, J
Garrett, P
Keane, G

Signed in accordance with a resolution of the Divisional National Council:

Dated this 11th day of November 2021

P. Crumlin
Divisional National Secretary

W. Smith
Divisional Deputy National Secretary

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIVISIONAL NATIONAL COUNCIL OF CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION, THE MARITIME UNION OF AUSTRALIA DIVISION AND ITS SUBSIDIARY

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, 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 4th November 2021

ESV

ESV Business advice and accounting

Tim Valtwies
Partner

Registration number: AA2017/92

THE MARITIME UNION OF AUSTRALIA DIVISION
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

		Consolidated	
	Note	2021	2020
		$	$
Operating activities			
Revenue from members and other reporting units	2	18,231,143	18,576,738
Other revenue	2	2,002,916	2,160,365
Revenue from contracts with customers	2	590,000	80,000
Employee benefits expense	3(a)	(11,467,078)	(11,391,335)
Finance costs		(409,037)	(425,820)
Depreciation and amortisation expenses	3(b)	(928,390)	(945,287)
Administration expenses	3(c)	(2,797,820)	(2,762,048)
Member services expenses	3(d)	(3,298,306)	(3,954,759)
Capitation fees and expenses paid to other reporting units	3(d),18	(246,783)	(376,320)
Other expenses	3(e)	(1,147,713)	(1,218,987)
Net surplus/(deficit) from operating activities		**528,932**	**(257,453)**
Non-operating activities			
Other income	2(b)	1,566,647	213,834
Net surplus from non-operating activities		**1,566,647**	**213,834**
Net surplus/(deficit) for the year		**2,095,579**	**(43,619)**
Other comprehensive income			
Loss on revaluation of land and buildings		(366,183)	-
Total comprehensive income/(loss) for the year		**1,729,396**	**(43,619)**

The accompanying notes form part of the financial statements.

THE MARITIME UNION OF AUSTRALIA DIVISION

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

		Consolidated	
	Note	2021	2020
		$	$
CURRENT ASSETS			
Cash and cash equivalents	4	5,908,478	6,506,945
Inventories on hand	5	157,343	188,146
Trade and other receivables	6	180,602	256,557
Contract assets	6c	488,433	503,121
Investments	7	8,706,817	6,942,829
TOTAL CURRENT ASSETS		15,441,673	14,397,598
NON-CURRENT ASSETS			
Trade and other receivables	6	53,571	65,029
Property, plant and equipment	8	39,912,165	39,845,585
Investment property	9	4,695,000	4,860,000
TOTAL NON-CURRENT ASSETS		44,660,736	44,770,614
TOTAL ASSETS		**60,102,409**	**59,168,212**
CURRENT LIABILITIES			
Trade and other payables	11	1,914,648	2,355,341
Contract liabilities	6c	471,689	502,586
Employee provisions	12	3,110,194	3,101,712
TOTAL CURRENT LIABILITIES		5,496,531	5,959,639
NON-CURRENT LIABILITIES			
Trade and other payables	11	245,712	454,540
Employee provisions	12	580,265	680,717
Borrowings	13	7,398,896	7,421,707
TOTAL NON-CURRENT LIABILITIES		8,224,873	8,556,964
TOTAL LIABILITIES		**13,721,404**	**14,516,603**
NET ASSETS		**46,381,005**	**44,651,609**
MEMBERS' FUNDS			
Fighting fund reserve	14	18,739	18,739
Revaluation reserve		13,414,965	13,781,148
Other reserves	14	2,202,714	2,072,507
Retained surplus		30,744,587	28,779,215
TOTAL MEMBERS' FUNDS		**46,381,005**	**44,651,609**

The accompanying notes form part of the financial statements.

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STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 2021

	Fighting Fund Reserve (Note 14)	Revaluation Reserve	General Reserves (Note 14)	Retained Surplus	Total Funds
	$	$	$	$	$
CONSOLIDATED					
At 30 June 2019	**18,739**	**13,451,668**	**1,905,237**	**29,319,584**	**44,695,228**
Net surplus/(deficit) for the year	-	-	121,015	(164,634)	(43,619)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	121,015	(164,634)	(43,619)
Transfer to/(from) reserves	-	329,480	46,255	(375,735)	-
At 30 June 2020	**18,739**	**13,781,148**	**2,072,507**	**28,779,215**	**44,651,609**
Net surplus for the year	-	-	97,079	1,998,500	2,095,579
Other comprehensive loss	-	(366,183)	-	-	(366,183)
Total comprehensive income	-	(366,183)	97,079	1,998,500	1,729,396
Transfer to/(from) reserves	-	-	33,128	(33,128)	-
At 30 June 2021	**18,739**	**13,414,965**	**2,202,714**	**30,744,587**	**46,381,005**

The accompanying notes form part of the financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Consolidated 2021 $	2020 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members		19,981,356	20,420,603
Payments to suppliers and employees		(20,937,586)	(22,047,035)
Receipts from other reporting units (CFMMEU)	15(c)	25,355	19,579
Payments to other reporting units (CFMMEU)	15(c)	(271,461)	(413,952)
Interest Paid		(431,848)	(434,887)
Interest received		126,503	55,957
Commission received		577,887	532,858
Rent received		615,399	661,568
Other receipts		655,040	963,332
Donations paid		(305,558)	(386,058)
Donations received		175,141	117,725
Grants received		649,000	88,000
Net cash provided by/(used in) operating activities	15(b)	**859,228**	**(422,310)**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of/proceeds from disposal of managed investments		(157,803)	500,000
Proceeds from sale of property, plant and equipment		50,166	891,637
Purchase of property, plant and equipment	8	(1,363,408)	(985,210)
Net cash provided by/(used in) investing activities		**(1,471,045)**	**406,427**
CASH FLOW FROM FINANCING ACTIVITIES			
Net repayment of loans receivable	6(a)	13,350	13,000
Net cash provided by financing activities		**13,350**	**13,000**
Net (decrease) in cash and cash equivalents		(598,467)	(2,883)
Cash and cash equivalents at the beginning of the financial year		6,506,945	6,509,828
Cash and cash equivalents at the end of the financial year	15(a)	**5,908,478**	**6,506,945**

The accompanying notes form part of the financial statements.

1. Summary of Significant Accounting Policies

The financial statements cover the Maritime Union of Australia Division (National Office and its Branches) of the Construction, Forestry, Maritime, Mining & Energy Union ("the Union"), and its subsidiary company MUA HTS Pty Ltd ("Consolidated").

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

The consolidated financial report of The Maritime Union of Australia Division for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Divisional National Council on the 11th November 2021.

Basis of Preparation

The consolidated financial statements are general purpose financial statements and have been prepared in accordance with Australian 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 (RO Act)* . The Union is a not-for-profit entity.

The financial statements, except for cash flow information, 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, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars and are prepared on going concern basis.

(a) Basis of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by the Union at the end of the reporting period. A controlled entity is any entity over which the Union 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.

1. Summary of Significant Accounting Policies (cont)

b) New Australian Accounting Standards and Amendments

The accounting policies adopted are consistent with those of the previous financial year except for the following accounting standards and amendments, which have been adopted for the first time this financial year:

- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments have been adopted by the Union and considered the definition in preparing the financial statements and disclosures.

- AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions

These amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under AASB 16 Leases, if the change were not a lease modification.

The amendments had no impact on the financial statements of the Union.

- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the accounting standard setter in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

The amendments had no impact on the financial statements of the Union.

- AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business

The amendment to AASB 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

The amendments had no impact on the financial statements of the Union.

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

1. Summary of Significant Accounting Policies (cont)

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the Union include:

AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted. The Union expects the adoption of this amendment to have an impact on its financial statements.

c) Current Versus Non-Current Classification

The Union presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

An liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Union classifies all other liabilities as non-current.

1. Summary of Significant Accounting Policies (cont)

d) Taxation

The Union is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

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

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

e) Revenue

The Union enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Union has a contract with a customer, the Union recognises revenue when or as it transfers control of goods or services to the customer. The Union accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Union.

If there is only one distinct membership service promised in the arrangement, the Union recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Union's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Union allocates the transaction price to each performance obligation based on the relative standalone selling price of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Union charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example,

1. Summary of Significant Accounting Policies (cont)

member services or training course), the Union recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Union has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Union at their standalone selling price, the Union accounts for those sales as a separate contract with a customer.

Capitation fees

Where the Union's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Union recognises the capitation fees promised under that arrangement when or as it transfers the goods or services that will transfer as part of its sufficiently specific promise to the branch/other reporting unit.

In circumstances where the criteria for a contract with a customer are not met, the Union will recognise capitation fees as income upon receipt (as specified in the income recognition policy below).

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the Union transfers the goods or services that will transfer as part of its sufficiently specific promise to the branch/other reporting unit.

In circumstances where the criteria for a contract with a customer are not met, the Union will recognise levies as income upon receipt (as specified in the income recognition policy below).

Income of the Union as a Not-for-Profit Entity

Consideration is received by the Union to enable it to further its objectives. The Union recognises each of these amounts of consideration as income when the consideration is received (which is when the Union obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the Union's recognition of the cash contribution does not give to any related liabilities.

During the year, the Union received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- donations and voluntary contribution from members (including whip arounds); and
- government grants; and
- commissions.

Income recognised from transfers to acquire or construct a non-financial asset

Where, as part of an enforceable agreement, the Union receives consideration to acquire or construct a non-financial asset such as property, plant and equipment to an identified specification and for the Union’s own use, a liability is recognised for the obligation to acquire or construct the asset. Income is recognised as the obligation to acquire or construct the asset is satisfied, which is typically at a point in time for acquired assets

1. Summary of Significant Accounting Policies (cont)

and over time for constructed assets. The asset that is being acquired or constructed is recognised in accordance with the policy on property, plant and equipment.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest income

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental income

Leases in which the Union as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

f) 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.

Provision is made for separation and redundancy benefit payments. The Union recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

g) Leases

The Union assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

1. Summary of Significant Accounting Policies (cont)

The Union as a Lessee

The Union applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Union recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Union recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Union at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Union recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Union and payments of penalties for terminating the lease, if the lease term reflects the Union exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Union uses the implicit the interest rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Peppercorn or below market leases

The Union has elected to recognise the fair value of the leased property at inception of the lease. The difference between the fair value of the leased asset and the lease liability measured at the present value of the 'peppercorn' lease rental is recognised as income.

1. Summary of Significant Accounting Policies (cont)

Short-term leases and leases of low-value assets

The Union's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases of equipment that are below $10,000 in value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

h) Borrowing Costs

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

i) Financial assets

Contract assets and receivables

A contract asset is recognised when the Union's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Union future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Union's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Union initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Union's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Union commits to purchase or sell the asset.

1. Summary of Significant Accounting Policies (cont)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through profit or loss

Financial assets at amortised cost

The Union measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Union's financial assets at amortised cost includes trade receivables and loans to related parties.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss, this includes investments.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Union has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

a) the Union has transferred substantially all the risks and rewards of the asset, or
b) the Union has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Union has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

1. Summary of Significant Accounting Policies (cont)

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Union continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

Expected credit losses

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Union applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Union does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Union has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

j) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Union's financial liabilities include trade and other payables and borrowings.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

1. Summary of Significant Accounting Policies (cont)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Union transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the Union performs under the contract (i.e. transfers control of the related goods or services to the customer).

k) 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.

Revaluation

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

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 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.

1. Summary of Significant Accounting Policies (cont)

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:

Class of fixed asset	Effective life (years)	Depreciation Rate
Buildings	40	2.00%
Plant and Equipment	15	6.85%
Office Equipment	5	20.0%
Office Furniture	6.6	15.0%
Motor Vehicles	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.

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

l) Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value.

Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. 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.

1. Summary of Significant Accounting Policies (cont)

m) Impairment of Non-Financial 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.

n) Fair Value Measurement

The Union measures financial instruments, such as, financial asset as at fair value through the profit & loss and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Union. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Union uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1. Summary of Significant Accounting Policies (cont)

o) Cash and Cash Equivalents

Cash is recognised at its nominal amount. 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 that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value, and bank overdrafts, are reported within short-term borrowings in current liabilities in the statement of financial position.

p) Inventories on Hand

Inventories are measured at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

q) Trade and Other Receivables

Trade and other receivables include amounts due from member contributions as well as amounts receivable from customers for goods sold and services provided 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 expected credit losses.

r) 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.

s) 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.

t) Critical Accounting Estimates and Judgements and Key Sources of Estimation Uncertainty

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

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.

1. Summary of Significant Accounting Policies (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.

Coronavirus (COVID-19)

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Union based on known information. This consideration extends to the nature of the services offered, members, staffing and geographic regions in which the Union operates. Other than as addressed in specific notes, there does not currently appear to be any significant impact upon the financial statements during the financial year. However, there may be significant uncertainties in the future as a result of the evolving Coronavirus (COVID-19) pandemic which may impact the Union unfavourably.

u) Information to be Provided to Members or the Commissioner

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 Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

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).

v) Comparative Figures

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

w) 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.

1. Summary of Significant Accounting Policies (cont)

x) Going Concern

The MUA Division of the Construction, Forestry, Maritime, Mining & Energy Union is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

		Consolidated	
		2021	**2020**
2. Revenue	**Note**	**$**	**$**
Revenue from Members and Other Reporting Units			
Membership subscriptions		18,148,266	18,460,416
Union sales		59,827	98,523
Capitation fees received		-	-
Recovery of wages		-	-
Compulsory levies & voluntary contributions		-	-
Revenue from other reporting units	18	23,050	17,799
Total Revenue from Members and Other Reporting Units		**18,231,143**	**18,576,738**
Other Revenue			
Donations received		175,141	205,725
Rent received		649,835	787,626
Consulting fees		324,748	290,273
Commission Income		500,087	498,633
Other income		353,105	378,108
Total Other Revenue		**2,002,916**	**2,160,365**
Revenue from Contracts with Customers			
Grants		**590,000**	**80,000**

Grants include contracts with companies for (a) providing statistical and industry data to enable workforce planning and (b) to improve a property and construct a training facility in one of the Union's properties.

Grant for Capital Work - St Georges Basin

During the financial year, the Union received $500,000 to improve a property in St Georges Basin, NSW. Under the contract the Union is obliged to prepare the property fit for purpose (phase 1) as a residential training facilty and thereafter construct a start of the art maritime training centre (phase 2). As at 30 June 2021 all the works required to complete phase 1 have been met, therefore the Union recognised the whole grant as income in line with it's obligations.

(a) Disaggregation of revenue

A disaggregation of the Union's income by source and by timing is presented below:

Income funding sources		
Members	18,208,093	18,558,939
Other reporting Units	23,050	17,799
Government	50,000	50,000
Other parties	1,952,916	2,190,365
	20,234,059	**20,817,103**

			Consolidated	
			2021	**2020**
2.	**Revenue (cont)**	**Note**	**$**	**$**
(a)	**Disaggregation of revenue**			
	A disaggregation of the Union's income by source and by timing is presented below:			
	Income funding sources			
	Members		18,208,093	18,558,939
	Other reporting Units		23,050	17,799
	Government		50,000	50,000
	Other parties		1,952,916	2,190,365
			20,234,059	**20,817,103**
	Timing of income recognition			
	Over time		18,148,266	18,460,416
	At a point in time		2,085,793	2,356,687
			20,234,059	**20,817,103**
(b)	**Income & Expenses from Non-operating Activities**			
	Gain from financial assets at fair value through profit and loss		1,641,444	63,701
	Dividend income on managed funds		1,143	457
	Interest received on deposits		38,995	120,592
	Interest received on loans		2,041	2,266
	Foreign exchange gain		113	-
	Gain on sale of non-current assets		7,911	26,818
	(Loss) on revaluation of investment properties		(125,000)	-
	Other income		**1,566,647**	**213,834**

3.	**Expenses**			
(a)	**Employee expenses**			
	Officials			
	Salaries and wages		3,908,741	3,705,585
	Annual leave entitlement		395,820	338,582
	Long service leave entitlement		186,554	126,309
	Superannuation contributions		541,512	535,175
	Separation and redundancies		84,905	-
	Other employment costs		527,426	523,238
			5,644,958	5,228,889

			Consolidated	
			2021	2020
3.	**Expenses (cont)**	**Note**	**$**	**$**
(a)	**Employee expenses (cont)**			
	Other employees			
	Salaries and wages		4,043,923	4,031,217
	Annual leave entitlement		197,558	391,811
	Long service leave entitlement		(125,931)	129,778
	Superannuation contributions		669,442	636,098
	Staff and member training		56,557	24,266
	Separation and redundancies		115,633	-
	Other employment costs		864,938	949,276
			5,822,120	6,162,446
	Total employee expenses		**11,467,078**	**11,391,335**
(b)	**Depreciation for non-current assets**			
	Buildings and investment property		483,624	465,272
	Plant and equipment		388,569	423,818
	Right of use asset		56,197	56,197
	Total depreciation	8,9	**928,390**	**945,287**
(c)	**Administration expenses**			
	Donations			
	- Total paid that were $1,000 or less		73,178	41,388
	- Total paid that exceeded $1,000		232,380	344,670
	Grants			
	- Total paid that were $1,000 or less		-	-
	- Total paid that exceeded $1,000		-	-
			305,558	**386,058**
	Remuneration of auditors			
	- Audit services		103,048	100,000
	- Other services		-	-
			103,048	**100,000**
	IT and telecommunications		633,013	664,625
	Consultants		396,260	401,596
	General expenses		1,359,941	1,209,769
	Total Administration expenses		**2,797,820**	**2,762,048**
(d)	**Member services expenses**			
	Legal expenses			
	- Litigation		1,700,427	1,502,802
	- Other legal expense		45,884	176,739
			1,746,311	**1,679,541**

			Consolidated	
			2021	**2020**
3.	**Expenses (cont)**	**Note**	**$**	**$**
(d)	**Member services expenses (cont)**			
	Conferences and meeting expenses		689,521	1,009,085
	Fees/allowances - conferences and meetings		91,117	204,257
	Travelling		73,178	154,912
	Branch activities		358,487	400,426
	Compulsory levies paid to CFMMEU	18	-	163,200
	Other membership services		162,962	304,609
			1,375,265	**2,236,489**
	Affiliation fees and levies			
	Australian Labor Party		96,631	62,704
	International Transport Workers Federation		37,598	44,436
	Unions NSW - Trades & Labour Council		22,234	20,150
	Unions QLD - Trades & Labour Council		14,590	14,404
	Unions SA - Trades & Labour Council		5,450	4,177
	Unions TAS - Trades & Labour Council		5,432	4,579
	Unions VIC - Trades & Labour Council		18,826	18,135
	Unions WA - Trades & Labour Council		2,018	6,323
	Australian Palestine Advocacy Network		400	361
	Australia Asia Worker Links		1,400	-
	APHEDA		1,391	1,350
	Australian Fair Trade & Investment Network		-	330
	SC The Left		-	20
	Muriel Matters Society		-	50
	Active Left		500	500
	Union Shopper		438	1,219
	Internation Dockworkers Council		5,661	20,768
	Asbestos Disease Support Society		800	800
	Independent and Peaceful Australia Network		100	100
	First Nations Workers Alliance		-	455
	3CR Radio		1,699	1,666
	International League of Peoples' Struggle		200	-
	Melbourne Maritime Heritage Network		50	-
	Capitation fees paid to CFMMEU	18	208,095	212,522
			423,513	415,049
	Total Member services expenses		**3,545,089**	**4,331,079**

		Consolidated	
		2021	2020
	Note	$	$
(e) Other expenses			
Occupancy & rental expenses		1,147,713	1,218,987
Consideration to employers for payroll deductions		-	-
Penalties - via RO Act or RO Regulations		-	-
Total Other expenses		**1,147,713**	**1,218,987**

4. Cash and Cash Equivalents

Cash at banks and on hand		3,556,340	3,056,490
Deposits at call		2,352,138	3,450,455
		5,908,478	**6,506,945**

5. Inventories on Hand

Union merchandise		157,343	188,146
		157,343	**188,146**

6. Trade and Other Receivables

CURRENT			
Trade debtors		203,087	218,995
Loans receivable	6(a)	28,129	27,479
Other receivables		14,139	65,101
Prepayments		26,851	39,619
Receivable from other reporting unit		-	-
Receivable from other related parties		-	-
Provision for expected credit losses	6(b)	(91,604)	(94,637)
		180,602	**256,557**
NON-CURRENT			
Loans receivable	6(a)	53,571	65,029
		53,571	**65,029**
		234,173	**321,586**

(a) Loans Receivables

Repayments paid during the period		13,350	13,000

Part of the loans receivable is secured by mortgage over a residential property and are made on normal commercial terms and conditions.

	Note	Consolidated 2021 $	Consolidated 2020 $

6. Trade and Other Receivables (cont)

(b) The movement in the allowance for expected credit losses of trade and other receivables is as follows (none of which relates to another reporting unit):

		2021 $	2020 $
At 1 July		(94,637)	(79,027)
Provision for expected credit losses		3,033	(15,610)
Write-off		-	-
At 30 June		**(91,604)**	**(94,637)**

(c) Contract Assets and Liabilities

The Union has recognised the following assets and liabilities related to contracts with members:

		2021 $	2020 $
Contract assets		488,433	503,121
Contract liabilities		(471,689)	(502,586)

Contract assets represents member contributions owing by members while contract liabilities represent member contributions paid in advance by members. All such assets and liabilities are current.

There were no significant changes between the contract asset and contract liability amounts between this financial year and last year.

Unsatisfied performance obligations

The were no remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2021 (2020: Nil) in relation to the contract assets. While 100% of the contract liabilities are for performance obligations to be satisfied in the next financial year. The Union expects that 100% of the transaction price allocated to remaining performance obligations is expected to be recognised as revenue within one year. These performance obligations primarily relate to trade union services to members who paid in advance.

7. Investments

		2021 $	2020 $
Managed funds at fair value through profit and loss		7,419,832	5,624,718
Short term deposits		1,262,894	1,291,174
Shares - other entities		24,091	26,937
		8,706,817	**6,942,829**

8. Property, Plant and Equipment
Consolidated

	Land & Buildings $	Plant & Equipment $	Office Equipment $	Office Furniture $	Motor Vehicles $	Right of Use Asset $	Total $
Balance at 1 July 2020	38,455,921	1,746,981	2,586,099	1,325,188	1,759,678	252,888	46,126,755
Additions	824,153	52,967	75,830	84,780	325,678	-	1,363,408
Disposals	-	-	-	-	(296,081)	-	(296,081)
Revaluation	(803,483)	-	-	-	-	-	(803,483)
Balance at 30 June 2021	**38,476,591**	**1,799,948**	**2,661,929**	**1,409,968**	**1,789,275**	**252,888**	**46,390,599**
Accumulated Depreciation:							
Balance at 1 July 2020	(716,613)	(957,540)	(2,302,945)	(1,228,995)	(1,018,880)	(56,197)	(6,281,170)
Depreciation	(443,624)	(80,752)	(87,969)	(47,620)	(172,228)	(56,197)	(888,390)
Disposals	-	-	-	-	253,826	-	253,826
Reversal of Depreciation	437,300	-	-	-	-	-	437,300
Balance at 30 June 2021	**(722,937)**	**(1,038,292)**	**(2,390,914)**	**(1,276,615)**	**(937,282)**	**(112,394)**	**(6,478,434)**
Carrying Value							
As at 1 July 2020	37,739,308	789,441	283,154	96,193	740,798	196,691	39,845,585
As at 30 June 2021	**37,753,654**	**761,656**	**271,015**	**133,353**	**851,993**	**140,494**	**39,912,165**

8. Property, Plant and Equipment (cont)

The revalued land and buildings consist of commercial and residential properties. Management determined that each constitutes one class of asset under AASB 13 Fair Value Measurement, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined by using a combination of market comparable method, redevelopment method and income capitalisation (IC) method. Market comparable method means that 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 valuations were performed and/or coordinated by Gentle and Associates, an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the location and categories of the properties being valued.

The valuer noted that the values are impacted by the uncertainty that the COVID-19 Outbreak has caused and market conditions are changing daily. As at the date of the valuation, the valuers considered that there is an ongoing market uncertainty resulting in signicant valuation uncertainty.

	Consolidated	
	2021	**2020**
	$	**$**
9. Investment Property at Fair Value		
Opening Balance	4,860,000	4,100,000
Reclassification to Investment Property	-	800,000
Less: Accumulated Depreciation	(40,000)	(40,000)
Net (loss) from fair value adjustment	(125,000)	-
Closing Balance	**4,695,000**	**4,860,000**

The fair value of completed investment property has been determined on a market value basis in accordance with International Valuation Standards, as set out by the International Valuation Standards Council. In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparable.

The highest and best use of the investment property is not considered to be different from its current use.

Rental income earned and received from the investment property during the year was $114,560 (2020: $282,589). The rental yields for the investment properties ranges between 3% - 7% (2020: 4% - 6%).

The fair value of investment property is determined using recognised valuation techniques. These techniques comprise both the Market Comparable method and income capitalisation (IC) method.

The valuations were performed and/or coordinated by Gentle and Associates, an accredited independent valuer with a recognised and relevant professional qualification.

The fair value of investment property is included within Level 3, in relation to capitalisation rates (Note 17) as a significant unobservable input.

The valuer noted that the values are impacted by the uncertainty that the COVID-19 Outbreak has caused and market conditions are changing daily. As at the date of the valuation, the valuers considered that there is an ongoing market uncertainty resulting in signicant valuation uncertainty.

10. Leases

Union as a lessee

The Union has a lease over its printing equipments around the country. The lease term is 5 years with no increases in the lease payments for the life of the lease.

Information relating to the lease in place and associated balances and transactions are provided below:

	Note	Consolidated 2021 $	2020 $
Right-of-use assets			
Balance at beginning of year		196,691	252,888
Depreciation charge		(56,197)	(56,197)
Balance at end of year		**140,494**	**196,691**

Statement of Comprehensive Income

The amounts recognised in the statement of comprehensive income relating to leases where the Union is a lessee are shown below:

	Note	2021 $	2020 $
Interest expense on lease liabilities		8,788	11,015
Expenses relating to short-term leases		71,104	63,004
Expenses relating to leases of low-value assets		16,616	6,099
		96,508	**80,118**
Statement of Cash Flow			
Total cash outflow for leases		**130,496**	**121,061**

Union as a lessor

The Union has a few properties or parts of properties available for rent

	Note	2021 $	2020 $
Rent income			
From investment property		114,560	282,589
From land and buildings		508,629	482,437
Others		26,646	22,600
Total Rent Income	**2**	**649,835**	**787,626**

Amounts included in the income statement relating to operating leases disclosed above includes income from subleasing parts of Union occupied land and buildings and contains variable lease payments that depend on an index or a rate.

	Note	Consolidated 2021 $	2020 $
11. Trade and Other Payables			
CURRENT			
Trade creditors		904,806	1,079,324
Accruals and other provisions		294,963	54,628
Other creditors		103,872	310,063
Revenue in advance		208,828	208,828
Payable to other reporting unit	18	(3,750)	368,540
Lease liability		179,109	211,295
Legal costs - litigations		226,820	122,663
Legal costs - other matters		-	-
Consideration to employers for payroll deduction		-	-
		1,914,648	**2,355,341**
NON-CURRENT			
Revenue in advance		245,712	454,540
		245,712	**454,540**
		2,160,360	**2,809,881**
12. Employee Provisions			
CURRENT			
Annual leave			
Officials		931,000	838,789
Employees		1,005,113	946,555
Long service leave			
Officials		754,050	701,981
Employees		420,031	614,387
		3,110,194	**3,101,712**
NON-CURRENT			
Officials			
Long service leave		181,692	209,539
Separation and redundancies		-	-
Employees			
Long service leave		398,573	471,178
Separation and redundancies		-	-
		580,265	**680,717**
Aggregate employee benefit liability		**3,690,459**	**3,782,429**

	Consolidated	
	2021	**2020**
	$	**$**
13. Borrowings		
Current	-	-
Non-Current	7,398,896	7,421,707
	7,398,896	**7,421,707**

These loans are secured by a mortgage over one of the Union's land and building with fair value of $15,200,000 (2020: $17,000,000).

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

14. General Reserves

	2021	2020
The fighting fund was set up to advance the defence of the Union's interest.	18,739	18,739

Ongoing contributions to the fighting fund by the Union will be dependent on prevailing requirements.

General Reserves		
Appeal and Welfare Fund	1,229,400	1,176,462
Point Peron Fund	233,815	190,250
State Conference Reserve	90,513	56,885
Sustenance Fund	489,739	490,239
Special Purpose Fund	6,683	6,683
Sick and Accident Fund	109,758	109,186
Divers Fighting Fund	42,806	42,802
	2,202,714	**2,072,507**

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 Divisional Branch's normal transactions.

The Western Australian Divisional 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 Divisional Branch) was set up to provide members assistance in their time of need and special branch actions.

14. General Reserves (cont)

The *Divers Fighting Fund* (held by the Victorian Divisional 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.

	Consolidated	
	2021	**2020**
	$	**$**
15. Cash Flow		
(a) Reconciliation of Cash		
Cash at the end of the financial period as shown in the Statement of Cash Flows is represented as:		
Cash at bank and on hand	3,556,340	3,056,490
Deposits at call	2,352,138	3,450,455
	5,908,478	**6,506,945**
(b) Reconciliation of Cash Flow from Operations with Net Surplus/(Deficit) for the Year		
Net surplus for the year	2,095,579	(43,619)
Adjustments for:		
Depreciation	872,193	945,287
Amortisation of deferred rent	(208,828)	(208,827)
Bad debts	(3,033)	19,855
Foreign exchange gain	(113)	-
(Gain) on disposal of non current asset	(7,911)	(26,818)
Provisions for union elections & quadrennial conference	268,412	-
Gain from financial assets at fair value through profit and loss	(1,642,587)	(64,158)
Revaluation of investment properties	125,000	-
Changes in assets and liabilities :		
Decrease in trade and other receivables	87,413	183,494
Decrease/(increase) in inventory	30,803	(4,530)
Decrease in contract assets	14,688	121,987
(Decrease) in trade and other payables	(649,521)	(1,275,236)
(Decrease)/increase in employee provisions	(91,970)	17,041
(Decrease) in contract liabilities	(30,897)	(86,786)
Cash flows from operations	**859,228**	**(422,310)**
(c) Cash Flow Information		
Cash inflows		
Income received from CFMMEU	25,355	19,579
Total cash inflows	**25,355**	**19,579**

15. Cash Flow (cont)

	Consolidated	
	2021	**2020**
	$	**$**
Cash outflows		
Expenses paid to CFMMEU	271,461	413,952
Total cash outflows	**271,461**	**413,592**

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.

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 financial assets at fair value through profit & loss. 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.

16. Financial Risk Management (cont)

	Profit	Equity
Year ended 30 June 2021	**$**	**$**
+/- 2% in interest rates	73,935/(73,935)	73,935/(73,935)
+/- 10% in fair value of financial assets	744,392/(744,392)	744,392/(744,392)
Year ended 30 June 2020		
+/- 2% in interest rates	27,674/(27,674)	27,674/(27,674)
+/- 10% in fair value of financial assets	565,166/(565,166)	565,166/(565,166)

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.

	Weighted Average Effective Interest Rate	1 year or less	Between 1 & 2 years	Between 2 & 5 years	Over 5 years	Remaining contractual maturities
Consolidated - 2021	%	$	$	$	$	$
Financial Liabilities						
Non interest bearing						
Trade and other payables	-	1,571,789	47,558	86,473	-	1,705,820
Employee provisions	-	3,110,194	341,366	238,898	-	3,690,458
Interest-bearing - variable rate						
Borrowings	5.50%	368,100	368,100	1,104,300	5,558,396	7,398,896
		5,050,083	757,024	1,429,671	5,558,396	12,795,174
Consolidated - 2020						
Financial Liabilities						
Non interest bearing						
Trade and other payables	-	1,977,946	45,078	123,489	-	2,146,513
Employee provisions	-	3,101,713	323,275	357,441	-	3,782,429
Interest-bearing - variable rate						
Borrowings	5.50%	378,600	378,600	1,135,800	5,528,707	7,421,707
		5,458,259	746,953	1,616,730	5,528,707	13,350,649

17. Fair Value Measurement

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 $
Consolidated - 2021				
Assets				
Investments (managed funds)	7,443,923	-	-	7,443,923
Investment properties	-	-	4,695,000	4,695,000
Land and buildings	-	-	37,753,654	37,753,654
Total assets	7,443,923	-	42,448,654	49,892,577
Consolidated - 2020				
Assets				
Investments (managed funds)	5,651,655	-	-	5,651,655
Investment properties	-	-	4,860,000	4,860,000
Land and buildings	-	-	37,739,308	37,739,308
Total assets	5,651,655	-	42,599,308	48,250,963

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.

Valuation techniques for fair value measurements categorised within level 2 and level 3

The basis of the valuation of land and buildings and investment properties is fair value determined on transactions observable in the market and summation and capitalisation of income approach. The land and buildings and investment properties were revalued on 30 June 2021 based on independent assessments performed and coordinated by Gentle & Associates, a member of the Australian Property Institute having vast experience in the location and category of land and buildings being valued. The Divisional National Council do not believe that there has been a material movement in fair value since the revaluation date. Fair value of the properties was determined by using a combination of market comparable method, redevelopment method and income capitalisation (IC)

17. Fair Value Measurement (cont)

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

Consolidated	Investment properties $	Land and buildings $	Total $
Balance at 30 June 2020	**4,860,000**	**37,739,308**	**42,599,308**
(Losses) recognised in profit and loss	(125,000)	-	(125,000)
(Losses) recognised in other comprehensive income	-	(366,183)	(366,183)
Other changes	(40,000)	380,529	340,529
Balance at 30 June 2021	**4,695,000**	**37,753,654**	**42,448,654**

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Range (weighted average)	Sensitivity Consolidated
			1% change would increase / decrease fair value by
Investment properties	Capitalisation Rate	4-6%	778,100 / (1,162,500)
Land and buildings	Capitalisation Rate	6-7%	3,715,000 / (5,100,000)

18. Related Party Disclosures

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

	Note	Consolidated 2021 $	2020 $
Revenue received from related parties:			
Income received from CFMMEU	2	23,050	17,799
		23,050	**17,799**
Expenses paid to related parties:			
Expenses paid to CFMMEU		37,878	598
Capitation fees paid to CFMMEU		208,905	212,522
Campaign levy paid to CFMMEU		-	163,200
		246,783	**376,720**
Amounts owed by related parties:		3,750	-
Amounts owed to related parties:		-	368,540
Assets transferred to and paid for by Officials			
Motor Vehicles at trade in value		33,305	-
Other Assets		-	400

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.

	$	$
19. Key Management Personnel Remuneration for the Reporting Period		
Short-term employee benefits		
Salary (including annual leave taken)	3,105,103	2,929,587
Annual leave accrued	379,804	391,893
Performance bonus	-	-
Total short-term employee benefits	3,484,907	3,321,480
Post-employment benefits:		
Superannuation	441,581	413,567
Total post-employment benefits	441,581	413,567
Other long-term benefits:		
Long-service leave	82,292	84,904
Non-cash benefits	166,609	152,823
Total other long-term benefits	248,901	237,727
Termination benefits	-	-
Total	4,175,389	3,972,774

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

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")

MUA HTS is a dormant company with no activities and movement during the financial year (2020: Nil). Its only asset is cash of $7,500 and a liability payable to the Union of $15,000 (2020: same) which was eliminated on consolidation. There are no restrictions for the Union to access the funds of the consolidated entity.

The Union is the sole shareholder of the company, and given the size of the company there are no significant consequences resulting from loss of control or ownership.

22. Union Details

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

23. 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 Divisional National Council, to affect significantly the operations of the Branch, the results of those operations, or the state of affairs of the Branch, in future financial years.

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

(1) No revenue was derived from undertaking recovery of wages activity during the reporting period (2020: Nil).

(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

(3) The Union did not acquire any assets nor liability during the financial year (2020: Nil) as a result of amalgamation, restructuring of branches, business combination or determination and revocation by the General Manager of the Fair Work Commission.

(4) The Union administers its own financial affairs and does not rely on another entity to do so.

(5) The Union did not make any payment to a former related party, all related party transactions are disclosed in Notes 18 and 19.

25. 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 2021, there are a number of ongoing legal actions against or taken by the Union. The claims have been mainly for alleged industrial action taken by the union and/or that the MUA breached 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, our reasonable estimate of the potential liability arising from these claims would be approximately $440,000 (2020: $1,000,000).

Commitments
In the 2016 financial year, the Union 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.

25. Contingent Liabilities, Assets and Commitments (cont)

	Consolidated 2021 $	Consolidated 2020 $
Operating lease commitments—as lessor		
Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2021 are as follows:		
Within one year	626,711	674,136
After one year but not more than five years	877,500	1,330,973
More than five years	-	-
	1,504,211	2,005,109
Operating lease commitments—as lessee		
Future minimum rentals payable under non-cancellable operating leases as at 30 June 2021 are as follows:		
Within one year	140,251	133,135
After one year but not more than five years	144,507	198,337
More than five years	-	-
	284,758	331,472

THE MARITIME UNION OF AUSTRALIA DIVISION
AND ITS SUBSIDIARY AND BRANCHES
CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION
ABN 93 047 659 794

DIVISIONAL NATIONAL COUNCIL'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

On 11 November 2021, the Divisional National Council of The Maritime Union of Australia Division passed the following resolution to the general purpose financial report (GPFR) for the year ended 30 June 2021:

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

(a) the financial statements and notes comply with the Australian Accounting Standards;

(b) 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 Divisional 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 *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 the Commissioner duly made under section 272 of the RO Act has been provided to the member or theCommissioner; and

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

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

Signed at Sydney this 11th day of November 2021

P. Crumlin
Divisional National Secretary

Warren Smith

W. Smith
Divisional Deputy National Secretary

THE MARITIME UNION OF AUSTRALIA DIVISION
AND ITS SUBSIDIARY AND BRANCHES
CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION
ABN 93 047 659 794

REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2021

The Divisional National Council presents the expenditure report as required under subsection 255(2A) on the Union for the year 30 June 2021.

	Consolidated	
	2021	**2020**
	$	**$**
Categories of expenditures		
Remuneration and other employment related costs and expenses	11,804,856	11,746,435
Advertising	52,082	13,753
Operating Costs	6,052,895	7,077,799
Donations to Political Parties	104,568	23,038
Legal Costs	1,746,311	1,679,541
	19,760,712	**20,540,566**

Signed at Sydney this 11th day of November 2021

P. Crumlin
Divisional National Secretary

W. Smith
Divisional Deputy National Secretary

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION, THE MARITIME UNION OF AUSTRALIA DIVISION AND ITS SUBSIDIARY

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the accompanying financial report of Construction, Forestry, Maritime, Mining and Energy Union, The Maritime Union of Australia Division, its Subsidiary and Branches (the "Union"), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in members' funds and statement of cash flows for the year ended 30 June 2021, and notes to the financial statements, including a summary of significant accounting policies, the Divisional National Council's statement and the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Union as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with:

> the Australian Accounting Standards; and

> 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 confirm that the independence declaration which has been given to the Divisional National Council of the Union, would be in the same terms if given to the directors as at the time of this auditor's report.

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 Divisional National Council of the Union 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.

Divisional National Council's Responsibility for the Financial Report

The Divisional 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.

> Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
> Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Union to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Union audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

I declare that I am an auditor registered under the RO Act.

Dated at Sydney on the 11th November 2021

ESV

ESV Business advice and accounting

Tim Valtwies
Partner

Registration number: AA2017/92

THE MARITIME UNION OF AUSTRALIA DIVISION
AND ITS SUBSIDIARY AND BRANCHES
CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION
ABN 93 047 659 794

ITEMISED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated	
	2021	2020
	$	$
Operating income		
Membership subscriptions	18,148,266	18,460,416
Donations	175,141	205,725
Directors fees	324,748	290,273
Rent received	649,835	787,626
Union sales	59,827	98,523
Commission income	500,087	498,633
Grants	590,000	80,000
Sundry income	376,155	395,907
Total operating income	20,824,059	20,817,103
Compensation and benefit		
Direct salaries - Officials	3,908,741	3,705,585
Direct salaries - Staff	4,043,923	4,031,217
Fringe benefits tax	108,175	122,198
Motor vehicle expenses	389,520	324,634
Payroll tax	468,428	544,188
Staff & Official training	56,557	24,266
Superannuation	1,210,954	1,171,273
Employee entitlement expense	654,001	986,480
Redundancies	200,538	-
Temporary staff	319,272	380,057
Workers compensation insurance	106,969	101,437
Total compensation and benefit	11,467,078	11,391,335
General expenses		
Audit & accountancy	100,048	155,118
Bank & government charges	88,306	98,759
Consultants	396,260	401,596
Depreciation plant & equipment	388,569	423,818
Donations expense	208,085	359,962
ALP donations / campaign advertising	97,473	26,096
Insurance - general	116,930	113,344
Merchandise	181,885	160,199
National Council expenses	25,292	102,584
Office expenses	137,278	170,591
Media activities	270,869	140,671
Postage and freight	42,852	40,017
Printing and stationery	90,749	104,038
Provision for bad debts expense	161,053	19,855
Repairs & maintenance	42,009	46,872
Subscriptions, newspapers & periodicals	205,718	153,780
Sundry expenses	-	3,941
Total general expenses	2,553,376	2,521,241

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CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION
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ITEMISED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated	
	2021	**2020**
	$	**$**
Occupancy & rental expenses		
Cleaning	255,634	246,798
Building depreciation	483,624	465,272
Security	27,356	34,800
Electricity	159,645	204,361
Interest Expense	409,037	425,820
Property insurance	102,484	96,948
Property rates	354,298	393,524
Property sales & purchase costs	1,600	6,663
Property valuation fees	-	12,500
Rent	87,720	69,103
Repairs & maintenance occupancy	150,188	143,275
Depreciation right of use	56,197	56,197
Interest expense right of use	8,788	11,015
Total occupancy and rental expenses	2,096,571	2,166,276
Industrial & member services		
Affiliation fees & levies	423,513	415,049
Branch activities	358,487	563,626
Business expenses	24,567	28,057
Conferences - International	638	212,019
Conferences - National	270,673	106,857
Fares & travel	582,505	1,049,379
Funeral expenses	17,820	16,301
Legal expenses	1,746,311	1,679,541
Member training	4,552	9,190
Research & professional services	1,263	6,390
Union election	17,724	104,605
Union publications	97,036	140,065
Total industrial & member services	3,545,089	4,331,079
IT & telecommunications expenses		
Computer consumables	11,124	13,053
Internet expenses	146,398	135,569
IT support & maintenance	330,599	269,704
Telephone	141,778	235,381
Video & teleconference	3,114	10,918
Total IT & telecommunications expenses	633,013	664,625
Total operating expenses	20,295,127	21,074,556
Operating surplus/(deficit)	528,932	(257,453)

THE MARITIME UNION OF AUSTRALIA DIVISION
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CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION
ABN 93 047 659 794

ITEMISED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated	
	2021	**2020**
	$	**$**
Non-operating income/(expenses)		
Net income from managed funds	1,642,587	64,158
Interest received on deposits	38,995	120,592
Interest received on loans	2,041	2,266
Foreign exchange gain/(loss)	113	-
(Loss)/gain on sale of non-current assets	7,911	26,818
(Loss) on revaluation of investment property	(125,000)	-
Total non-operating income	1,566,647	213,834
Net surplus/(deficit)	**2,095,579**	**(43,619)**
Revaluation of land and buildings	(366,183)	-
Total comprehensive income	**1,729,396**	**(43,619)**

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.