

**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 2022

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

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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 2022.

**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 ^	Garrett, P ^
Bull, A ^ *	Heath, D ^
Burford, A ^	Keating, P ^
Cain, C ^ *	Larkin, B ^
Campbell, J ^	Lumsden, R
Cassar, J	Miners, J ^
Carter, S ^ *	Myers, M ^ *
Clothier, C ^ *	Newlyn, J ^
Cross, M ^	Outram, D ^ *
Crumlin, P ^	Patchett, R
Cumberlidge, S ^	Peterson, P
Donato, N	Smith, W ^
Dunn, B	Stevens, S ^
Evans, A ^	Tracey, W ^
Gallagher, P	Williams, G ^
Gakis, 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 \$11,310,942 (2021: \$1,729,396).

The number of members of the Union at the end of the year was 11,129 (2021: 11,840).

The number of employees of the reporting unit at the end of the year was 79 (2021: 73).

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

**Significant Changes in State of Affairs**

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

**Principal Activities**

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

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**OPERATING REPORT**

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**Rights of Members to Resign**

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

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

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.

**Auditor's Independence Declaration**

The auditor's independence declaration for the year has been received and can be found on page 5 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

Newlyn, J

Tracey, W

Garrett, P

Bull, A

Keane, G

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

Dated this 8th day of November 2022



**P. Crumlin**

Divisional National Secretary



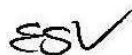
**W. Smith**

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 2022, 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 8<sup>th</sup> November 2022



**ESV Business advice and accounting**



**Tim Valtwies  
Partner**

**Registration number: AA2017/92**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	Consolidated	
		2022	2021
		\$	\$
<b>Operating activities</b>			
Revenue from members and other reporting units	2	19,847,863	18,231,143
Other revenue	2	2,896,883	2,002,916
Grant income	2	740,000	590,000
Employee benefits expense	3(a)	(11,590,148)	(11,467,078)
Finance costs		(377,656)	(409,037)
Depreciation and amortisation expenses	3(b)	(917,813)	(928,390)
Administration expenses	3(c)	(3,873,555)	(2,797,820)
Member services expenses	3(d)	(3,733,195)	(3,298,306)
Capitation fees and expenses paid to other reporting units	3(d),18	(217,136)	(246,783)
Other expenses	3(e)	(1,181,157)	(1,147,713)
<b>Net surplus from operating activities</b>		<b>1,594,086</b>	<b>528,932</b>
<b>Non-operating activities</b>			
Other income	2(b)	147,653	1,566,647
<b>Net surplus from non-operating activities</b>		<b>147,653</b>	<b>1,566,647</b>
<b>Net surplus for the year</b>		<b>1,741,739</b>	<b>2,095,579</b>
<b>Other comprehensive income</b>			
Gain/(loss) on revaluation of land and buildings		9,569,203	(366,183)
<b>Total comprehensive income for the year</b>		<b>11,310,942</b>	<b>1,729,396</b>

The accompanying notes form part of the financial statements.

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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

	Note	Consolidated	
		2022	2021
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	5,945,949	5,908,478
Inventories on hand	5	186,437	157,343
Trade and other receivables	6	530,934	180,602
Contract assets	6c	339,113	488,433
Investments	7	9,914,374	8,706,817
<b>TOTAL CURRENT ASSETS</b>		<b>16,916,807</b>	<b>15,441,673</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	-	53,571
Property, plant and equipment	8	50,370,495	39,912,165
Investment property	9	4,695,000	4,695,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>55,065,495</b>	<b>44,660,736</b>
<b>TOTAL ASSETS</b>		<b>71,982,302</b>	<b>60,102,409</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	2,924,582	1,914,648
Contract liabilities	6c	827,841	471,689
Employee provisions	12	2,665,824	3,110,194
Borrowings	13	385,535	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,803,782</b>	<b>5,496,531</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	11	61,428	245,712
Employee provisions	12	502,251	580,265
Borrowings	13	6,922,891	7,398,896
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>7,486,570</b>	<b>8,224,873</b>
<b>TOTAL LIABILITIES</b>		<b>14,290,352</b>	<b>13,721,404</b>
<b>NET ASSETS</b>		<b>57,691,950</b>	<b>46,381,005</b>
<b>MEMBERS' FUNDS</b>			
Fighting fund reserve	14	18,739	18,739
Revaluation reserve		22,984,168	13,414,965
Other reserves	14	2,335,917	2,202,714
Retained surplus		32,353,126	30,744,587
<b>TOTAL MEMBERS' FUNDS</b>		<b>57,691,950</b>	<b>46,381,005</b>

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 2022**

	Fighting Fund Reserve (Note 14) \$	Revaluation Reserve \$	General Reserves (Note 14) \$	Retained Surplus \$	Total Funds \$
<b>CONSOLIDATED</b>					
<b>At 30 June 2020</b>	<b>18,739</b>	<b>13,781,148</b>	<b>2,072,507</b>	<b>28,779,215</b>	<b>44,651,609</b>
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)	-
<b>At 30 June 2021</b>	<b>18,739</b>	<b>13,414,965</b>	<b>2,202,714</b>	<b>30,744,587</b>	<b>46,381,005</b>
Net surplus for the year	-	-	99,563	1,642,179	1,741,742
Other comprehensive income	-	9,569,203	-	-	9,569,203
Total comprehensive income	-	9,569,203	99,563	1,642,179	11,310,945
Transfer to/(from) reserves	-	-	33,640	(33,640)	-
<b>At 30 June 2022</b>	<b>18,739</b>	<b>22,984,168</b>	<b>2,335,917</b>	<b>32,353,126</b>	<b>57,691,950</b>

The accompanying notes form part of the financial statements.



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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	Note	Consolidated	
		2022	2021
		\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from members		21,750,277	19,981,356
Payments to suppliers and employees		(20,530,416)	(20,937,586)
Receipts from other reporting units (CFMMEU)	15(c)	148,794	25,355
Payments to other reporting units (CFMMEU)	15(c)	(238,850)	(271,461)
Interest Paid		(395,988)	(431,848)
Interest received		4,746	126,503
Commission received		611,255	577,887
Rent received		515,055	615,399
Other receipts		648,116	655,040
Donations paid		(1,359,486)	(305,558)
Donations received		948,711	175,141
Grants received		814,000	649,000
<b>Net cash provided by operating activities</b>	15(b)	<b>2,916,214</b>	<b>859,228</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of managed investments or short term deposits		(1,070,129)	(157,803)
Proceeds from sale of property, plant and equipment		10,892	50,166
Purchase of property, plant and equipment	8	(1,813,939)	(1,363,408)
<b>Net cash (used in) investing activities</b>		<b>(2,873,176)</b>	<b>(1,471,045)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(72,138)	-
Net repayment of loans receivable	6(a)	66,571	13,350
<b>Net cash (used in)/provided by financing activities</b>		<b>(5,567)</b>	<b>13,350</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>37,471</b>	<b>(598,467)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>5,908,478</b>	<b>6,506,945</b>
<b>Cash and cash equivalents at the end of the financial year</b>	15(a)	<b>5,945,949</b>	<b>5,908,478</b>

The accompanying notes form part of the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**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 2022 was authorised for issue in accordance with a resolution of the Divisional National Council on the 12th October 2022.

**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.

**b) New Australian Accounting Standards and Amendments**

The Union has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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

The Union has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

**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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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

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.

**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.

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

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, 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.

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

**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 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.

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

**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.

**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.

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**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.



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**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.

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**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.

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**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.

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**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:

<b>Class of fixed asset</b>	<b>Effective life (years)</b>	<b>Depreciation Rate</b>
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.

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**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.

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**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.

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**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. Refer to Note 17 for further details.

*Allowance for expected credit losses*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group/debtor. These assumptions include recent and historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 6(b), is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

*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.

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

**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.

**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.

	Note	Consolidated 2022 \$	2021 \$
<b>2. Revenue</b>			
<b>Revenue from Members and Other Reporting Units</b>			
Membership subscriptions		19,637,028	18,148,266
Union sales		75,568	59,827
Capitation fees received		-	-
Recovery of wages		-	-
Compulsory levies & voluntary contributions		-	-
Revenue from other reporting units	18	135,267	23,050
<b>Total Revenue from Members and Other Reporting Units</b>		<b><u>19,847,863</u></b>	<b><u>18,231,143</u></b>
<b>Other Revenue</b>			
Donations received		948,711	175,141
Rent received		727,952	649,835
Directors fees		357,467	324,748
Commission income		550,247	500,087
Other income		312,506	353,105
<b>Total Other Revenue</b>		<b><u>2,896,883</u></b>	<b><u>2,002,916</u></b>
<b>Grant Income</b>			
Grants		<b><u>740,000</u></b>	<b><u>590,000</u></b>

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**

The Union received \$650,000 (2021: \$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 facility and thereafter construct a state of the art maritime training centre (Phase 2). As at 30 June 2022 all the works required to complete Phases 1 and 2 have been met, therefore the Union recognised the whole grant as income in line with it's obligations.



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	Note	Consolidated	
		2022	2021
		\$	\$
<b>2. Revenue (cont)</b>			
<b>(a) Disaggregation of revenue</b>			
A disaggregation of the Union's income by source and by timing is presented below:			
<b>Income funding sources</b>			
Members		19,712,596	18,208,093
Other reporting Units		135,267	23,050
Government		-	50,000
Other parties		2,869,616	1,952,916
		<b>22,717,479</b>	<b>20,234,059</b>
<b>Timing of income recognition</b>			
Over time		20,377,028	18,148,266
At a point in time		2,340,451	2,085,793
		<b>22,717,479</b>	<b>20,234,059</b>
<b>(b) Income &amp; Expenses from Non-operating Activities</b>			
(Loss)/Gain from financial assets at fair value through profit and loss		(345,102)	1,641,444
Dividend income on managed funds		467,301	1,143
Interest received on deposits		19,719	38,995
Interest received on loans		1,841	2,041
Foreign exchange gain		-	113
Gain on sale of non-current assets		3,894	7,911
(Loss) on revaluation of investment properties		-	(125,000)
<b>Other income</b>		<b>147,653</b>	<b>1,566,647</b>
<b>3. Expenses</b>			
<b>(a) Employee expenses</b>			
<i>Officials</i>			
Salaries and wages		4,031,115	3,908,741
Annual leave entitlement		88,735	395,820
Long service leave entitlement		(155,291)	186,554
Superannuation contributions		487,521	541,512
Separation and redundancies		-	84,905
Other employment costs		571,569	527,426
		<b>5,023,649</b>	<b>5,644,958</b>

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	Note	Consolidated	
		2022	2021
		\$	\$
<b>3. Expenses (cont)</b>			
<b>(a) Employee expenses (cont)</b>			
<i>Other employees</i>			
Salaries and wages		4,366,653	4,043,923
Annual leave entitlement		411,480	197,558
Long service leave entitlement		64,807	(125,931)
Superannuation contributions		747,285	669,442
Staff and member training		19,646	56,557
Separation and redundancies		-	115,633
Other employment costs		956,628	864,938
		<u>6,566,499</u>	<u>5,822,120</u>
<b>Total employee expenses</b>		<b><u>11,590,148</u></b>	<b><u>11,467,078</u></b>
<b>(b) Depreciation for non-current assets</b>			
Buildings and investment property		408,040	483,624
Plant and equipment		453,576	388,569
Right of use asset		56,197	56,197
<b>Total depreciation</b>	8,9	<b><u>917,813</u></b>	<b><u>928,390</u></b>
<b>(c) Administration expenses</b>			
<i>Donations</i>			
- Total paid that were \$1,000 or less		762,652	73,178
- Total paid that exceeded \$1,000		596,834	232,380
<i>Grants</i>			
- Total paid that were \$1,000 or less		-	-
- Total paid that exceeded \$1,000		-	-
		<u>1,359,486</u>	<u>305,558</u>
<i>Remuneration of auditors</i>			
- Audit services		115,269	103,048
- Other services		-	-
		<u>115,269</u>	<u>103,048</u>
IT and telecommunications		720,059	633,013
Consultants		472,580	396,260
General expenses		1,206,161	1,359,941
<b>Total Administration expenses</b>		<b><u>3,873,555</u></b>	<b><u>2,797,820</u></b>
<b>(d) Member services expenses</b>			
<i>Legal expenses</i>			
- Litigation		1,353,664	1,700,427
- Other legal expense		115,612	45,884
		<u>1,469,276</u>	<u>1,746,311</u>

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3. Expenses (cont)	Note	Consolidated	
		2022	2021
		\$	\$
<b>(d) Member services expenses (cont)</b>			
Conferences and meeting expenses		959,636	689,521
Fees/allowances - conferences and meetings		148,276	91,117
Travelling		101,881	73,178
Branch activities		572,622	358,487
Compulsory levies paid to CFMMEU	18	-	-
Other membership services		266,901	162,962
		<b>2,049,316</b>	<b>1,375,265</b>
<i>Affiliation fees and levies</i>			
Australian Labor Party		81,306	96,631
International Transport Workers Federation		36,539	37,598
Unions NSW - Trades & Labour Council		18,896	22,234
Unions QLD - Trades & Labour Council		15,215	14,590
Unions SA - Trades & Labour Council		6,333	5,450
Unions TAS - Trades & Labour Council		5,436	5,432
Unions VIC - Trades & Labour Council		19,443	18,826
Unions WA - Trades & Labour Council		1,926	2,018
Australian Palestine Advocacy Network		400	400
Australia Asia Worker Links		400	1,400
APHEDA		1,432	1,391
Union Shopper		1,562	438
International Dockworkers Council		34,371	5,661
Asbestos Disease Support Society		800	800
Independent and Peaceful Australia Network		100	100
3CR Radio		1,750	1,699
Workers Health		1,208	-
Labour History Society		91	-
Asbestos Victims Association SA		227	-
Reconciliation SA		455	-
May Day Collective		182	-
Active Left		-	500
International League of Peoples' Struggle		-	200
Melbourne Maritime Heritage Network		-	50
Capitation fees paid to CFMMEU	18	203,667	208,095
		<b>431,739</b>	<b>423,513</b>
<b>Total Member services expenses</b>		<b>3,950,331</b>	<b>4,331,079</b>

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	Note	Consolidated	
		2022	2021
		\$	\$
<b>(e) Other expenses</b>			
Occupancy & rental expenses		1,181,157	1,147,713
Consideration to employers for payroll deductions		-	-
Penalties - via RO Act or RO Regulations		-	-
<b>Total Other expenses</b>		<b>1,181,157</b>	<b>1,147,713</b>
<b>4. Cash and Cash Equivalents</b>			
Cash at banks and on hand		4,454,287	3,556,340
Deposits at call		1,491,662	2,352,138
		<b>5,945,949</b>	<b>5,908,478</b>
<b>5. Inventories on Hand</b>			
Union merchandise		186,437	157,343
		<b>186,437</b>	<b>157,343</b>
<b>6. Trade and Other Receivables</b>			
CURRENT			
Trade debtors		446,987	203,087
Loans receivable	6(a)	15,129	28,129
Other receivables		19,648	14,139
Prepayments		170,774	26,851
Receivable from other reporting unit		-	-
Receivable from other related parties		-	-
Provision for expected credit losses	6(b)	( 121,604)	( 91,604)
		<b>530,934</b>	<b>180,602</b>
NON-CURRENT			
Loans receivable	6(a)	-	53,571
		-	<b>53,571</b>
		<b>530,934</b>	<b>234,173</b>
<b>(a) Loans Receivables</b>			
Repayments paid during the period		66,571	13,350

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

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	<b>Note</b>	<b>Consolidated</b>	
		<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
<b>6. Trade and Other Receivables (cont)</b>			
<b>(b)</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):			
At 1 July		( 91,604)	( 94,637)
Provision for expected credit losses		( 30,000)	3,033
Write-off		-	-
At 30 June		<u>( 121,604)</u>	<u>( 91,604)</u>
<b>(c) Contract Assets and Liabilities</b>			
The Union has recognised the following assets and liabilities related to contracts with members:			
Contract assets		339,113	488,433
Contract liabilities		(827,841)	(471,689)
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.			
<b>Unsatisfied performance obligations</b>			
The were no remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2022 (2021: 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.			
<b>7. Investments</b>			
Managed funds at fair value through profit and loss		7,544,899	7,419,832
Short term deposits		2,349,116	1,262,894
Shares - other entities		20,359	24,091
		<u>9,914,374</u>	<u>8,706,817</u>

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**8. Property, Plant and Equipment  
Consolidated**

	<b>Land &amp; Buildings \$</b>	<b>Plant &amp; Equipment \$</b>	<b>Office Equipment \$</b>	<b>Office Furniture \$</b>	<b>Motor Vehicles \$</b>	<b>Right of Use Asset \$</b>	<b>Total \$</b>
Balance at 1 July 2021	38,476,591	1,799,948	2,661,929	1,409,968	1,789,275	252,888	46,390,599
Additions	1,111,510	69,007	447,671	135,431	49,078	-	1,812,697
Disposals	-	-	-	-	(36,939)	-	(36,939)
Revaluation	9,569,203	-	-	-	-	-	9,569,203
Reversal of Depreciation	-	-	-	-	-	-	-
Reclassification to Investment Property	-	-	-	-	-	-	-
Balance at 30 June 2022	<b>49,157,304</b>	<b>1,868,955</b>	<b>3,109,600</b>	<b>1,545,399</b>	<b>1,801,414</b>	<b>252,888</b>	<b>57,735,560</b>
<b>Accumulated Depreciation:</b>							
Balance at 30 June 2021	(722,937)	(1,038,292)	(2,390,914)	(1,276,615)	(937,282)	(112,394)	(6,478,434)
Depreciation	(408,039)	(87,752)	(136,033)	(49,320)	(179,932)	(56,198)	(917,274)
Disposals	-	-	-	-	29,941	-	29,941
Reversal of Depreciation	-	-	702	-	-	-	702
Balance at 30 June 2022	<b>(1,130,976)</b>	<b>(1,126,044)</b>	<b>(2,526,245)</b>	<b>(1,325,935)</b>	<b>(1,087,273)</b>	<b>(168,592)</b>	<b>(7,365,065)</b>
<b>Carrying Value</b>							
As at 30 June 2021	37,753,654	761,656	271,015	133,353	851,993	140,494	39,912,165
As at 30 June 2022	<b>48,026,328</b>	<b>742,911</b>	<b>583,355</b>	<b>219,464</b>	<b>714,141</b>	<b>84,296</b>	<b>50,370,495</b>

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**8. Property, Plant and Equipment (cont)**

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. The Union values its land and buildings every 4 years.

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.

In March 2022, the Union's Bank ordered a mortgage valuation of the property at 365 Sussex St, Sydney from a qualified valuer. The valuation was re-assessed internally at 30 June 2022 by comparing recent data and management determined that the valuation was conservative and still relevant. Therefore, the Union revalued the property as a stand-alone out of cycle valuation based on management's assessment.

In 2021, the formal valuations were performed and/or coordinated 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 were impacted by the uncertainty that the COVID-19 Outbreak has caused.

**9. Investment Property at Fair Value**

**Opening Balance**

Less: Accumulated Depreciation

Net (loss) from fair value adjustment

**Closing Balance**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
	4,695,000	4,860,000
	-	( 40,000)
	-	( 125,000)
	<b><u>4,695,000</u></b>	<b><u>4,695,000</u></b>

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 \$214,423 (2021: \$114,560). The rental yields for the investment properties ranges between 3% - 5% (2021: 3% - 7%).

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.

In 2021, the formal valuations were performed and/or coordinated 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 were impacted by the uncertainty that the COVID-19 Outbreak has caused.

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

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**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	
		2022	2021
		\$	\$
<b>Right-of-use assets</b>			
Balance at beginning of year		140,494	196,691
Depreciation charge		( 56,197)	( 56,197)
Balance at end of year		<b>84,297</b>	<b>140,494</b>

**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:

Interest expense on lease liabilities		6,438	8,788
Expenses relating to short-term leases		69,672	71,104
Expenses relating to leases of low-value assets		12,902	16,616
		<b>89,012</b>	<b>96,508</b>

**Statement of Cash Flow**

Total cash outflow for leases		<b>130,382</b>	<b>130,496</b>
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***Union as a lessor***

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

<b>Rent income</b>			
From investment property		214,423	114,560
From land and buildings		458,559	508,629
Others		36,220	26,646
<b>Total Rent Income</b>	<b>2</b>	<b>709,202</b>	<b>649,835</b>

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.



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	Note	Consolidated	
		2022	2021
		\$	\$
<b>11. Trade and Other Payables</b>			
CURRENT			
Trade creditors		1,659,167	904,806
Accruals and other provisions		529,722	294,963
Other creditors		334,786	103,872
Revenue in advance		184,284	208,828
Payable to other reporting unit	18	( 10,000)	( 3,750)
Lease liability		144,698	179,109
Legal costs - litigations		81,925	226,820
Legal costs - other matters		-	-
Consideration to employers for payroll deduction		-	-
		<b>2,924,582</b>	<b>1,914,648</b>
NON-CURRENT			
Revenue in advance		61,428	245,712
		<b>61,428</b>	<b>245,712</b>
		<b>2,986,010</b>	<b>2,160,360</b>
<b>12. Employee Provisions</b>			
CURRENT			
Annual leave			
Officials		632,955	931,000
Employees		1,050,723	1,005,113
Long service leave			
Officials		454,334	754,050
Employees		527,812	420,031
		<b>2,665,824</b>	<b>3,110,194</b>
NON-CURRENT			
Officials			
Long service leave		243,316	181,692
Separation and redundancies		-	-
Employees			
Long service leave		258,935	398,573
Separation and redundancies		-	-
		<b>502,251</b>	<b>580,265</b>
<b>Aggregate employee benefit liability</b>		<b>3,168,075</b>	<b>3,690,459</b>

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	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>13. Borrowings</b>		
Current	385,535	-
Non-Current	6,922,891	7,398,896
	<b>7,308,426</b>	<b>7,398,896</b>

These loans are secured by a mortgage over one of the Union's land and building with fair value of \$25,000,000 (2021: \$15,200,000).

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**

The fighting fund was set up to advance the defence of the Union's interest.

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

	18,739	18,739
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**General Reserves**

Appeal and Welfare Fund	1,279,171	1,229,400
Point Peron Fund	282,952	233,815
State Conference Reserve	124,153	90,513
Sustenance Fund	489,739	489,739
Special Purpose Fund	6,683	6,683
Sick and Accident Fund	110,402	109,758
Divers Fighting Fund	42,815	42,806
	<b>2,335,915</b>	<b>2,202,714</b>

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

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**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.

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
<b>15. Cash Flow</b>		
<b>(a) Reconciliation of Cash</b>		
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	4,454,287	3,556,340
Deposits at call	1,491,662	2,352,138
	<b><u>5,945,949</u></b>	<b><u>5,908,478</u></b>
<b>(b) Reconciliation of Cash Flow from Operations with Net Surplus for the Year</b>		
Net surplus for the year	1,741,739	2,095,579
<b>Adjustments for:</b>		
Depreciation	861,616	872,193
Amortisation of deferred rent	( 208,828)	( 208,828)
Bad debts	30,000	( 3,033)
Foreign exchange gain	-	( 113)
Reinvestment of interest to short term deposits	( 16,093)	-
Loss/(Gain) on disposal of non current asset	3,894	( 7,911)
Provisions for union elections & quadrennial conference	225,864	268,412
Gain from financial assets at fair value through profit and loss	( 122,199)	( 1,642,587)
Revaluation of investment properties	-	125,000
<b>Changes in assets and liabilities :</b>		
(increase)/decrease in trade and other receivables	( 379,425)	87,413
Decrease/(increase) in inventory	( 29,092)	30,803
Decrease in contract assets	149,320	14,688
Increase/(decrease) in trade and other payables	825,650	( 649,521)
(Decrease) in employee provisions	( 522,384)	( 91,970)
Increase/(decrease) in contract liabilities	356,152	( 30,897)
<b>Cash flows from operations</b>	<b><u>2,916,214</u></b>	<b><u>859,228</u></b>
<b>(c) Cash Flow Information</b>		
Cash inflows		
Income received from CFMMEU	148,794	25,355
<b>Total cash inflows</b>	<b><u>148,794</u></b>	<b><u>25,355</u></b>

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**15. Cash Flow (cont)**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Cash outflows		
Expenses paid to CFMMEU	238,850	271,461
<b>Total cash outflows</b>	<b>238,850</b>	<b>271,461</b>

**16. Financial Risk Management**

**Specific Financial Risk Exposures and Management**

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

**a. Credit risk**

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

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

*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.

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

	Profit \$	Equity \$
<b>Year ended 30 June 2022</b>		
+/- 2% in interest rates	77,118/(77,118)	77,118/(77,118)
+/- 10% in fair value of financial assets	756,526/(756,526)	756,526/(756,526)
<b>Year ended 30 June 2021</b>		
+/- 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)

**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
	%	\$	\$	\$	\$	\$
<b>Consolidated - 2022</b>						
<b>Financial Liabilities</b>						
<i>Non interest bearing</i>						
Trade and other payables	-	2,643,158	50,173	46,967	-	2,740,298
Employee provisions	-	2,665,824	273,388	228,862	-	3,168,075
<i>Interest-bearing - variable rate</i>						
Borrowings	4.50%	581,100	581,100	1,743,300	4,402,926	7,308,426
		<u>5,890,082</u>	<u>904,661</u>	<u>2,019,129</u>	<u>4,402,926</u>	<u>13,216,798</u>
<b>Consolidated - 2021</b>						
<b>Financial Liabilities</b>						
<i>Non interest bearing</i>						
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
<i>Interest-bearing - variable rate</i>						
Borrowings	5.50%	368,100	368,100	1,104,300	5,558,396	7,398,896
		<u>5,050,083</u>	<u>757,024</u>	<u>1,429,671</u>	<u>5,558,396</u>	<u>12,795,174</u>

**THE MARITIME UNION OF AUSTRALIA DIVISION  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**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 \$
<b>Consolidated - 2022</b>				
<i>Assets</i>				
Investments (managed funds)	7,565,258	-	-	7,565,258
Investment properties	-	-	4,695,000	4,695,000
Land and buildings	-	-	48,026,328	48,026,328
Total assets	<u>7,565,258</u>	<u>-</u>	<u>52,721,328</u>	<u>60,286,586</u>
<b>Consolidated - 2021</b>				
<i>Assets</i>				
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	<u>7,443,923</u>	<u>-</u>	<u>42,448,654</u>	<u>49,892,577</u>

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. Analysis of the whole portfolio has been performed as of 30 June 2022 to assess the fair value and the Divisional National Council has revalued the property at 365 Sussex St, Sydney where a mortgage valuation was adopted as at 30 June 2022 (Note 8). Fair value of the properties was determined by using a combination of market comparable method, redevelopment method and income capitalisation (IC) method.

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**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:

	Investment properties \$	Land and buildings \$	Total \$
<b>Consolidated</b>			
<b>Balance at 30 June 2021</b>	4,695,000	37,753,654	42,448,654
(Losses) recognised in profit and loss	-	-	-
Profit recognised in other comprehensive income	-	9,569,203	9,569,203
Other changes	-	703,471	703,471
<b>Balance at 30 June 2022</b>	<b>4,695,000</b>	<b>48,026,328</b>	<b>52,721,328</b>

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	3-6%	1,480,000 / (2,300,000)
Land and buildings	Capitalisation Rate	3-5%	7,330,000 / (12,200,000)
		<b>Note</b>	<b>Consolidated</b>
			<b>2022</b>
			<b>2021</b>
			\$
			\$

**18. Related Party Disclosures**

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

**Revenue received from related parties:**

Income received from CFMMEU	2	135,267	23,050
		<b>135,267</b>	<b>23,050</b>

**Expenses paid to related parties:**

Expenses paid to CFMMEU		13,469	37,878
Capitation fees paid to CFMMEU		203,667	208,905
Campaign levy paid to CFMMEU		-	-
		<b>217,136</b>	<b>246,783</b>

Amounts owed by related parties:		11,926	3,750
Amounts owed to related parties:		-	-
Assets transferred to and paid for by Officials			
Motor Vehicles at trade in value		-	33,305
Other Assets		-	-

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**18. Related Party Disclosures (cont)**

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

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>19. Key Management Personnel Remuneration for the Reporting Period</b>		
<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	2,674,017	3,105,103
Annual leave accrued	391,202	379,804
Performance bonus	-	-
<b>Total short-term employee benefits</b>	3,065,219	3,484,907
<b>Post-employment benefits:</b>		
Superannuation	376,495	441,581
<b>Total post-employment benefits</b>	376,495	441,581
<b>Other long-term benefits:</b>		
Long-service leave	84,760	82,292
Non-cash benefits	167,228	166,609
<b>Total other long-term benefits</b>	251,988	248,901
<b>Termination benefits</b>	-	-
<b>Total</b>	3,693,702	4,175,389

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 (2021: Nil). Its only asset is cash of \$7,500 and a liability payable to the Union of \$15,000 (2021: 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.



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**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 (2021: 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 (2021: 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 2022, 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 \$2,600,000 (2021: \$440,000).

**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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**25. Contingent Liabilities, Assets and Commitments (cont)**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Operating lease commitments—as lessor</b>		
Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2022 are as follows:		
Within one year	697,587	626,711
After one year but not more than five years	540,650	877,500
More than five years	-	-
	<b>1,238,237</b>	<b>1,504,211</b>
<b>Operating lease commitments—as lessee</b>		
Future minimum rentals payable under non-cancellable operating leases as at 30 June 2022 are as follows:		
Within one year	144,043	140,251
After one year but not more than five years	86,704	144,507
More than five years	-	-
	<b>230,747</b>	<b>284,758</b>

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**DIVISIONAL NATIONAL COUNCIL'S STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2022**

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On 12 October 2022, 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 2022:

The Divisional National Council, declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the 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 the Commissioner; 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 8th day of November 2022



**P. Crumlin**  
Divisional National Secretary



**W. Smith**  
Divisional Deputy National Secretary

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**REPORT REQUIRED UNDER SUBSECTION 255(2A)  
FOR THE YEAR ENDED 30 JUNE 2022**

The Divisional National Council presents the expenditure report as required under subsection 255(2A) on the Union for the year 30 June 2022.

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
<b>Categories of expenditures</b>		
Remuneration and other employment related costs and expenses	11,944,759	11,804,856
Advertising	13,378	52,082
Operating Costs	6,890,669	6,052,895
Donations to Political Parties	298,305	104,568
Legal Costs	1,469,276	1,746,311
	<b><u>20,616,387</u></b>	<b><u>19,760,712</u></b>

Signed at Sydney this 8th day of November 2022



**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 2022, the statement of comprehensive income, statement of changes in members' funds and statement of cash flows for the year ended 30 June 2022, 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.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Union as at 30 June 2022, 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 8<sup>th</sup> November 2022

**ESV Business advice and accounting**

**Tim Valtwies**  
**Partner**

**Registration number: AA2017/92**

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**ITEMISED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022**

	Consolidated	
	2022	2021
	\$	\$
<b>Operating income</b>		
Membership subscriptions	19,637,028	18,148,266
Donations	948,711	175,141
Directors fees	357,467	324,748
Rent received	727,952	649,835
Union sales	75,568	59,827
Commission income	550,247	500,087
Grants	740,000	590,000
Sundry income	447,773	376,155
<b>Total operating income</b>	<b>23,484,746</b>	<b>20,824,059</b>
<b>Compensation and benefit</b>		
Direct salaries - Officials	4,031,115	3,908,741
Direct salaries - Staff	4,366,653	4,043,923
Fringe benefits tax	130,410	108,175
Motor vehicle expenses	380,022	389,520
Payroll tax	536,769	468,428
Staff & Official training	19,646	56,557
Superannuation	1,234,806	1,210,954
Employee entitlement expense	409,731	654,001
Redundancies	-	200,538
Temporary staff	337,483	319,272
Workers compensation insurance	143,513	106,969
<b>Total compensation and benefit</b>	<b>11,590,148</b>	<b>11,467,078</b>
<b>General expenses</b>		
Audit & accountancy	115,269	100,048
Bank & government charges	101,175	88,306
Consultants	472,580	396,260
Depreciation plant & equipment	453,576	388,569
Donations expense	1,061,181	208,085
ALP donations / campaign advertising	298,305	97,473
Insurance - general	112,554	116,930
Merchandise	202,565	181,885
National Council expenses	38,306	25,292
Office expenses	187,189	137,278
Media activities	177,170	270,869
Postage and freight	40,333	42,852
Printing and stationery	99,050	90,749
Provision for bad debts expense	30,000	161,053
Repairs & maintenance	21,014	42,009
Subscriptions, newspapers & periodicals	184,717	205,718
Sundry expenses	12,088	-
<b>Total general expenses</b>	<b>3,607,072</b>	<b>2,553,376</b>



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**ITEMISED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022**

	Consolidated	
	2022	2021
	\$	\$
<b>Occupancy &amp; rental expenses</b>		
Cleaning	220,036	255,634
Building depreciation	408,040	483,624
Security	14,896	27,356
Electricity	135,100	159,645
Interest Expense	377,656	409,037
Property insurance	101,942	102,484
Property rates	322,693	354,298
Property sales & purchase costs	-	1,600
Property valuation fees	43,880	-
Rent	82,574	87,720
Repairs & maintenance occupancy	253,598	150,188
Depreciation right of use	56,197	56,197
Interest expense right of use	6,438	8,788
<b>Total occupancy and rental expenses</b>	<b>2,023,050</b>	<b>2,096,571</b>
<b>Industrial &amp; member services</b>		
Affiliation fees & levies	431,739	423,513
Branch activities	572,622	358,487
Business expenses	20,564	24,567
Conferences - International	142,338	638
Conferences - National	266,867	270,673
Fares & travel	800,587	582,505
Funeral expenses	29,398	17,820
Legal expenses	1,469,276	1,746,311
Member training	9,987	4,552
Research & professional services	35,819	1,263
Union election	17,724	17,724
Union publications	153,409	97,036
<b>Total industrial &amp; member services</b>	<b>3,950,330</b>	<b>3,545,089</b>
<b>IT &amp; telecommunications expenses</b>		
Computer consumables	17,886	11,124
Internet expenses	134,414	146,398
IT support & maintenance	407,711	330,599
Telephone	158,379	141,778
Video & teleconference	1,669	3,114
<b>Total IT &amp; telecommunications expenses</b>	<b>720,059</b>	<b>633,013</b>
<b>Total operating expenses</b>	<b>21,890,659</b>	<b>20,295,127</b>
<b>Operating surplus/(deficit)</b>	<b>1,594,087</b>	<b>528,932</b>

**THE MARITIME UNION OF AUSTRALIA DIVISION  
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**ITEMISED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022**

	Consolidated	
	2022	2021
	\$	\$
<b>Non-operating income/(expenses)</b>		
Net income from managed funds	122,199	1,642,587
Interest received on deposits	19,719	38,995
Interest received on loans	1,841	2,041
Foreign exchange gain/(loss)	-	113
(Loss)/gain on sale of non-current assets	3,894	7,911
(Loss) on revaluation of investment property	-	(125,000)
<b>Total non-operating income</b>	<u>147,653</u>	<u>1,566,647</u>
<b>Net surplus/(deficit)</b>	<b>1,741,740</b>	<b>2,095,579</b>
Revaluation of land and buildings	9,569,203	(366,183)
<b>Total comprehensive income</b>	<b><u>11,310,943</u></b>	<b><u>1,729,396</u></b>

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