



Australian Government
Registered Organisations Commission

23 January 2018

Mr Martin Byrne
Federal Treasurer
Australian Institute of Marine and Power Engineers

Sent via email:

Dear Mr Byrne

Re: – Australian Institute of Marine and Power Engineers - financial report for year ending 30 June 2017 (FR2017/100)

I refer to the financial report of the Australian Institute of Marine and Power Engineers. The documents were lodged with the Registered Organisations Commission ('the ROC') on 20 December 2017.

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

You are not required to take any further action in respect of the report lodged. Please note the financial report for the period ending 30 June 2018 may be subject to an advanced compliance review.

Reporting Requirements

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

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

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett".

Stephen Kellett
Financial Reporting
Registered Organisations Commission



AIMPE

Australian Institute of Marine and Power Engineers HEAD OFFICE

Registered Organisations Commission
regorgs@roc.gov.au

19 December 2017

Dear Sir/Ms,

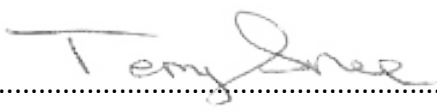
AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS
s.268 Fair Work (Registered Organisations) Act 2009

Certificate By Prescribed Designated Officer

Certificate for the year ended 30 June 2017

I *Terry Snee* being the *Federal President* and *Registered Officer* of the Australian Institute of Marine and Power Engineers certify:

-) that the documents lodged herewith are copies of the full report for the Australian Institute of Marine and Power Engineers for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
-) that the full report was provided to members of the Australian Institute of Marine and Power Engineers via our union journal on or about 24 November 2017; and
-) that the full report was presented to a general meeting of members of the Australian Institute of Marine and Power Engineers on *19 December 2017* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:..........

Name of prescribed designated officer:.....Terry Snee.....

Title of prescribed designated officer:Federal President.....

Dated:19 December 2017.....



AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

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AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2017

The AIMPE Federal President, in accordance with Rule 9(vii) & (xii), presents this report on the operations of the Institute for the financial year ended 30th June 2017.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year.

AIMPE's **principal activities** continue to be the protection of the rights and entitlements of AIMPE members both individually and collectively, the defence of professional standards for marine engineers and the promotion of the Australian maritime industry.

The failure of the Coastal Trading Act to revitalise Australian shipping remained a major policy concern during 2016-17. We continue to campaign about this failure of public policy to ensure the retention of a key strategic industry and continue to seek to persuade policy makers that Australia is making an enormous strategic mistake in allowing the shipping industry to wither away.

AIMPE met with the Minister for Infrastructure and Transport, Mr Darren Chester, in 2016-17 to discuss the path for reform. AIMPE urged the Minister to **change the Shipping Registration Act** to require all commercial vessels operating in Australia's Exclusive Economic Zone to be registered in Australia and come under Australian law. AIMPE also urged that a new Ministry of Shipping should be created to promote the Australian Maritime Industry – this was included in the AIMPE submission in response to the Government's Discussion Paper.

Another major campaign is against the scourge of **temporary work visas** for foreign engineers during a period of high unemployment among AIMPE members. In April, AIMPE greeted the 'abolition' of the subclass 457 visa as an acknowledgment of AIMPE's campaign. During 2016-17 AIMPE made a detailed submission to the Ministerial Advisory Council on Skilled Migration [MACSM] analysing the labour market for Marine Engineers in Australia and seeking the removal of the classification from the SOL and CSOL lists.

However by June it was beginning to emerge that subclass 400 visas were being issued as a substitute for the 'abolished' 457 visas. AIMPE has resolved to continue to campaign against the issuing of temporary work visas as long as there are unemployed AIMPE members looking for work in Australia.

During 2016-17 AIMPE also continued to campaign against the **abuse of partnership** arrangements in the maritime industry – in particular in the towage sector. AIMPE believes these are sham partnerships designed to avoid the obligations of employment law and deny normal employment rights to individual workers. AIMPE is actively lobbying against the abuse of partnerships.

In addition, AIMPE continued the long-running **campaign against asbestos** on board vessels, including the preparation of a submission to the Australian Senate Economics Committee highlighting the shortfalls in relation to compliance and enforcement of the ban on the use and the importation of asbestos containing materials in Australia.

In October 2016 the Federal Government introduced legislation to 'shrink' the coverage of the **Seacare scheme** and abolish the Seacare Authority. AIMPE lobbied successfully to block the passage of the amending legislation. AIMPE has worked consistently for over 25 years to ensure that Australian seafarers have nationally effective compensation, rehabilitation, health and safety rights.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

OPERATING REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

AIMPE negotiated many enterprise agreements during 2016-17 with various employers in the maritime industry. It should be noted that the outcomes in relation to pay increases were very moderate across the maritime industry, and indeed there were some areas where pay freezes were implemented through the bargaining process.

AIMPE has assisted members with Electrical qualifications to obtain their **Electro Technical Officer** (ETO) Certificates of Competency during 2016-17. AIMPE has worked with the Australian Maritime Safety Authority to facilitate the recognition of industry service by experienced Electrical Engineers and Marine Electricians. The new ETO Certificate represents the outcome of many years of work by AIMPE to support changes to the International Maritime Organisation's Convention on the Standards of Training Certification and Watchkeeping (STCW), including pushing for the amendment of the STCW at the 2010 Conference in Manila. This will stand as one of the achievements of AIMPE's retiring Director of Professional Standards, Mr Jim Mallows. Director of Professional Development, Mr Henning Christiansen, has taken up the task of implementation of ETO matters.

AIMPE also continued to maintain a National Employment Roster to help unemployed members to obtain employment. Unemployment among Australian Marine Engineers has declined during 2016-17 and AIMPE's Roster has around 70 members. This reflects a pickup in activity related to the installation of the Inpex and Prelude facilities, however it also is a consequence of many skilled, experienced and qualified Marine Engineers becoming discouraged from actively seeking maritime work. AIMPE estimates that there are up to 500 Marine Engineers who have been discouraged from looking for employment in the Australian maritime industry.

To disseminate information to members, AIMPE maintains an active **communication** strategy encompassing direct mail of the union magazine (On Watch) to members' home addresses, monthly reports to all ships with members on board, email communications to ships where available and regular monthly meetings at major locations around the country. Eleven editions of On Watch were produced and distributed, including a combined December-January edition during the holiday season. AIMPE continued in 2016-17 to make the On Watch available to members online via the union's website www.aimpe.asn.au.

Ship visits by AIMPE's industrial staff are also a key component of our communication strategy. This enables members who are not able to attend monthly meetings to raise matters of concern directly with the relevant official and for staff to provide immediate feedback. Ten staff members have Right of Entry Permits issued under the Fair Work Act to facilitate ship [and other workplace] visits.

Throughout 2016-17, AIMPE also retained its long-standing **affiliations** with the International Transport Workers Federation and the Australian Council of Trade Unions. AIMPE is also affiliated with the Nautilus Federation – an international group of like-minded trade unions which represent maritime officers in various countries around the world.

AIMPE also supported the affiliation of the Australian Maritime Officers Union with the Nautilus Federation in 2017. AIMPE and AMOU have developed closer working relations during 2016-17 and approved the establishment of the **Nautilus Federation of Australia** as a vehicle for joint co-operation and action. Both unions lodged objections to an application by the MUA to expand their coverage rules in relation to Port Authorities. The MUA withdrew their application.

AIMPE is not affiliated with any political party.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

OPERATING REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

Significant changes in financial affairs

Regarding the **financial affairs** of the AIMPE in 2016-17 – membership fee income fell again in comparison to the fee income in the previous financial year due to the further decline in overall membership numbers. This trend was exacerbated by the transfer of many members from Seagoing to Ashore category – which involves a much lower fee. Total expenditure was also slightly above the expenditure in the previous financial year. As a result an operating deficit of over \$400,000 was recorded, offset by an increase in the value our buildings by almost \$1.4 Million.

AIMPE continues to own all the premises in which our offices are located.

AIMPE continued in 2016-17 to let some space out to tenants in our Head Office in Surry Hills, Sydney and in our SA Branch office in Port Adelaide. In addition, at the Melbourne premises, AIMPE owns 4 car spaces which are leased out on a commercial basis. These leases all assist in defraying the costs of maintaining the three premises in Sydney, Port Adelaide and Melbourne.

Right of members to resign

Members are entitled to resign by providing a notice of resignation in writing to the Branch Secretary of the Branch to which the member belongs, as provided by Rule 31.

Officers & employees who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

No member of the Federal Executive of the AIMPE is a trustee of a superannuation entity or an exempt public sector superannuation scheme – except that one member of the Federal Executive, Monty Woolley, has established a self-managed superannuation fund. No member of the Federal Executive of the AIMPE is a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme – except that one member of the Federal Executive, Monty Woolley, is a Director of a company that is trustee of his self-managed superannuation fund. The Federal President and the Federal Treasurer are the AIMPE representatives on the Policy Committee of the AIMPE Superannuation Plan. These positions are advisory in nature and are honorary only. The trustee of the plan is AMP.

No employee of the AIMPE is a trustee of a superannuation entity or an exempt public sector superannuation scheme. No employee of the AIMPE is a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Number of members

The AIMPE had 2,227 fee paying members as at 30th June 2017.

This compares with 2,504 fee paying members as at 30th June 2016 and 2,731 fee paying members as at 30th June 2015. This is the third year in a row that AIMPE has experienced a decline in membership, as more Australian flag ships were withdrawn from service and replaced by foreign ships using Temporary Licences issued by the Federal Government. In addition, the Offshore Oil and Gas sector remains in a slump and this continued to have a negative effect on the employment of Australian Marine Engineers.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

OPERATING REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

Number of members (continued)

AIMPE retains a significant number of Honorary members who have retired from the maritime industry. As at 30th June 2017 AIMPE had 872 Honorary members – an increase of 45 over the course of the year.

Number of employees

The total number of people **employed** by AIMPE during the course of 2016-17 was 16 [comprising 11 full-time staff, 4 part-time staff and one casual]. This figure is down from a total of 19 three years ago in 2013-14. The reductions occurred as a result of four retirements, one resignation and one transition from full-time to part time, offset by one new full time member of staff and one new part time employee. The amount of work carried out by our 4 part-time staff was equivalent to the work of 1.6 full time equivalent [FTE] employees.

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

The Federal Executive of the AIMPE for 2016-17 was elected on 27th June 2016 by the 2016 Federal Council in a ballot conducted by the Australian Electoral Commission. The term of office expired on 13th June 2017 when the 2017 Federal Council elected a new Federal Executive. The persons who held office on the Federal Executive during the financial year were:

Position	Name	Period of Service during Financial Year
Federal President	Terry Snee	01.07.16 - 30.06.17
Senior Vice President	Peter Toohey	01.07.16 - 30.06.17
Vice President	Monty Woolley	01.07.16 - 30.06.17
Vice President	Derek MacLucas	01.07.16 - 30.06.17
Federal Treasurer	Martin Byrne	01.07.16 - 30.06.17

This report was prepared for me by AIMPE staff.

Signed

TERRY SNEE,
Federal President

Dated this 8th day of November 2017

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017	2016
		\$	\$
REVENUE			
Membership Subscriptions (including arrears, entrance fees and less refunds)		1,988,240	2,646,934
Capitation Fees	3A	-	-
Compulsory Levies	3B	-	-
Interest Received	3C	107,737	124,809
Rental Revenue	3D	50,378	58,885
Other Revenue	3E	7,651	23,298
TOTAL REVENUE		<u>2,154,006</u>	<u>2,853,926</u>
OTHER INCOME			
Grants and/or Donations	3F	-	-
Unrealised Gains on Revaluation of Assets	3G	34,090	21,054
Net Gains/(Losses) from Sale of Assets	3H	(1,898)	8,629
TOTAL OTHER INCOME		<u>32,192</u>	<u>29,683</u>
TOTAL INCOME		<u>2,186,198</u>	<u>2,883,609</u>
EXPENSES			
Employee Expenses	4A	1,676,317	1,744,769
Capitation Fees	4B	-	-
Affiliation Fees	4C	32,896	36,203
Administration Expenses	4D	286,872	243,417
Grants and/or Donations/Fundraising	4E	15,400	123,240
Depreciation and Amortisation	4F	76,180	73,787
Finance Costs	4G	-	-
Legal Costs	4H	37,990	234,375
Audit Fees	13	51,540	52,740
Projects	4I	289,658	331,916
Other Expenses	4J	130,612	123,908
TOTAL EXPENSES		<u>2,597,465</u>	<u>2,964,355</u>
SURPLUS (DEFICIT) FOR THE YEAR		<u>\$(411,267)</u>	<u>\$(80,746)</u>
OTHER COMPREHENSIVE INCOME			
Items that will not be subsequently reclassified to profit or loss:-			
Increase in market value of land and buildings		1,392,621	-
TOTAL OTHER COMPREHENSIVE INCOME		<u>\$1,392,621</u>	<u>\$-</u>
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE YEAR		<u>\$981,354</u>	<u>\$(80,746)</u>

The attached notes form part of these accounts

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5A	3,348,492	3,847,926
Trade and Other Receivables	5B	<u>60,735</u>	<u>61,525</u>
TOTAL CURRENT ASSETS		<u>3,409,227</u>	<u>3,909,451</u>
NON CURRENT ASSETS			
Land and Buildings	6A	6,305,000	4,919,175
Plant and Equipment	6B	116,667	141,939
Intangibles	6C	15,314	19,224
Investments	6D	<u>154,470</u>	<u>120,297</u>
TOTAL NON CURRENT ASSETS		<u>6,591,451</u>	<u>5,200,635</u>
TOTAL ASSETS		<u>10,000,678</u>	<u>9,110,086</u>
CURRENT LIABILITIES			
Trade Payables	7A	161,521	195,570
Other Payables	7B	300,565	367,175
Employee Provisions	8A	<u>178,293</u>	<u>192,365</u>
TOTAL CURRENT LIABILITIES		<u>640,379</u>	<u>755,110</u>
NON CURRENT LIABILITIES			
Employee Provisions	8A	<u>379,360</u>	<u>355,391</u>
TOTAL NON-CURRENT LIABILITIES		<u>379,360</u>	<u>355,391</u>
TOTAL LIABILITIES		<u>1,019,739</u>	<u>1,110,501</u>
NET ASSETS		<u>\$8,980,939</u>	<u>\$7,999,585</u>
EQUITY			
General Fund	9A	3,195,924	3,607,191
Reserves	9B	<u>5,785,015</u>	<u>4,392,394</u>
TOTAL EQUITY		<u>\$8,980,939</u>	<u>\$7,999,585</u>

The attached notes form part of these accounts

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	GENERAL FUND	ASSETS REVALUATION RESERVE	CAPITAL REALISATION RESERVE	TOTAL
	\$	\$	\$	\$
BALANCE AT 1 JULY 2015	3,687,937	3,294,528	1,097,866	8,080,331
Surplus (Deficit) for the year	(80,746)	-	-	(80,746)
Other Comprehensive Income for the Year	-	-	-	-
BALANCE AT 30 JUNE 2016	3,607,191	3,294,528	1,097,866	7,999,585
Surplus (Deficit) for the year	(411,267)	1,392,621	-	981,354
Other Comprehensive Income for the Year	-	-	-	-
BALANCE AT 30 JUNE 2017	\$3,195,924	\$4,687,149	\$1,097,866	\$8,980,939

The attached notes form part of these accounts

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
RECEIPTS:			
Contributions, Entrance Fees and Levies Received from Members		1,922,411	2,512,062
Receipts/Transfers from Other reporting Units (branch transfers)		262,964	261,321
Interest Received		107,746	142,303
Rental Income Received		50,378	58,885
Other Income Received		7,568	11,250
TOTAL RECEIPTS		<u>2,351,067</u>	<u>2,985,821</u>
PAYMENTS:			
Payments to Suppliers and Employees		2,125,167	2,430,365
Payment Relating to Projects		289,658	332,001
Payments Relating to "On Watch"		130,612	123,908
Payments to Other Reporting Units (branch transfers)		262,964	261,321
TOTAL PAYMENTS		<u>2,808,401</u>	<u>3,147,595</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	10A	<u>(457,334)</u>	<u>(161,774)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
RECEIPTS			
Return of Capital Listed Shares		-	-
Proceeds from Sale of Property, Plant and Equipment		-	14,182
TOTAL RECEIPTS		<u>-</u>	<u>14,182</u>
PAYMENTS:			
Payment for Property, Plant and Equipment		(42,100)	(54,604)
Payment for Intangible Assets		-	(19,550)
TOTAL PAYMENTS		<u>(42,100)</u>	<u>(74,154)</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(42,100)</u>	<u>(59,972)</u>
Net Increase / (Decrease) in Cash Held		(499,434)	(221,746)
Cash at the Beginning of the Financial year		3,847,926	4,069,672
CASH AT THE END OF THE FINANCIAL YEAR	5A	<u><u>\$3,348,492</u></u>	<u><u>\$3,847,926</u></u>

The attached notes form part of these accounts

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

RECOVERY OF WAGES ACTIVITY

FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017 \$	2016 \$
CASH ASSETS IN RESPECT OF RECOVERED MONEY AT BEGINNING OF YEAR		\$-	\$-
RECEIPTS:			
Amounts recovered from employers in respect of wages etc.		-	-
Interest received on recovered money		-	-
TOTAL RECEIPTS		-	-
PAYMENTS:			
Deductions of amounts due in respect of membership for:			
12 months or less		-	-
Greater than 12 months		-	-
Deductions of donations or other contributions to accounts or funds of:			
The reporting unit:			
Name of account – N/A		-	-
Name of fund – N/A		-	-
Deductions of fees or reimbursement of expenses		-	-
Payments to workers in respect of recovered money		-	-
TOTAL PAYMENTS		-	-
CASH ASSETS IN RESPECT OF RECOVERED MONEY AT END OF YEAR		<u>\$-</u>	<u>\$-</u>
Number of workers to which the monies recovered relates		-	-
AGGREGATE PAYABLES TO WORKERS ATTRIBUTABLE TO RECOVERED MONIES BUT NOT YET DISTRIBUTED			
Payable balance		\$-	\$-
Number of workers to which the monies recovered relates		-	-
FUND OR ACCOUNT OPERATED FOR RECOVERY OF WAGES		<u>\$-</u>	<u>\$-</u>

The attached notes form part of these accounts

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

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AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1. INFORMATION TO BE PROVIDED TO MEMBERS – SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which read as follows:

Information to be provided to members or General Manager

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Australian Institute of Marine and Power Engineers is a not-for-profit entity.

The financial report was authorised for issue on 9th November 2017 by the Federal President of the Australian Institute of Marine and Power Engineers.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis of accounting and in accordance with historical costs and does not take into account changing money values or, except where stated, current valuations of non current assets. Cost is based on the fair values of the consideration given in exchange for assets.

(a) New Australian Accounting Standards

No accounting standard has been adopted earlier than the application date stated in the standard. The accounting policies adopted are consistent with those of the previous financial year.

There are no new standards, amendments to standards or interpretations that were issued prior to the signoff date and are applicable to the future reporting period that are expected to have a material future impact on the Australian Institute of Marine and Power Engineers.

(b) Income Tax

No provision for income tax is necessary as trade unions are exempt from income tax under Section 50-15 of the *Income Tax assessment Act 1997*.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, Plant and Equipment

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

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the Institute to have an independent valuation at least every three years, with annual appraisals being made by delegated authority of the President.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by delegated authority of the President to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated over their useful lives to the Institute commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2 – 11.25%
Plant and equipment	9 - 60%

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.

(d) Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of The Australian Institute of Marine and Power Engineers' intangible assets are:

	2017	2016
Intangibles	0-5 years	0 years

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit and loss when the asset is derecognised.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Investments

Shares in listed companies held as current assets are valued by delegated authority of the President at those shares' market value at each balance date. The gains or losses, whether realised or unrealised, are included in profit from ordinary activities.

(f) Employee Benefits

Provision is made for the Australian Institute of Marine and Power Engineer's (union) liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Institute to the employee superannuation funds and are charged as expenses when incurred.

(g) Cash

Cash is recognised at its nominal amount. Cash includes cash on hand, at banks and on deposit held at call.

(h) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from subscriptions is accounted for on an accruals basis and is recorded as revenue in the year to which it relates.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

(j) Financial Instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the union becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial Instruments (Cont'd)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Institute no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non cash assets or liabilities assumed is recognised in profit or loss.

Classification and subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value (ie gains or losses) being recognised in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments, and it is the union's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Events after the reporting period

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

(l) Comparative Figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(m) Significant Accounting Judgements and Estimates

No 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.

(n) Financial Support

The union is not in receipt of any other financial support from another reporting unit of the organisation nor has there been any going concern financial support to another reporting entity. There are no material uncertainties, events or conditions that bring into question the ability of the union to continue as a going concern.

(o) Business Combinations

The union did not acquire or dispose of any business entities during the financial year.

	2017	2016
	\$	\$
3. REVENUE		
3A. Capitation Fees		
Not applicable	-	-
	<u>\$-</u>	<u>\$-</u>
3B. Levies		
Not applicable	-	-
	<u>\$-</u>	<u>\$-</u>
3C. Interest Received		
Deposits	107,737	124,809
	<u>\$107,737</u>	<u>\$124,809</u>
3D. Rental Revenue		
Properties	43,982	46,405
Car Park Leases	6,396	12,480
	<u>\$50,378</u>	<u>\$58,885</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
3. REVENUE (CONT'D)		
3E. Other Revenue		
Dividends Received	7,257	4,125
On Watch Subscriptions	-	5,100
Sundry	394	14,073
	<u>\$7,651</u>	<u>\$23,298</u>
3F. Grants and/or Donations		
Grants	-	-
Donations	-	-
	<u>\$-</u>	<u>\$-</u>
3G. Unrealised Gains on Revaluation of Assets		
Revaluation of Shares in Listed Companies	34,090	21,054
	<u>\$34,090</u>	<u>\$21,054</u>
3H. Net Gains (Losses) from Sale of Assets		
Gains (Losses) on Sale of Property, Plant and Equipment	(1,898)	8,629
	<u>\$(1,898)</u>	<u>\$8,629</u>
4. EXPENSES		
4A. Employee Expenses		
Holders of Office:		
Wages and Salaries (includes honorariums)	676	1,404
Superannuation	-	-
Leave and Other Entitlements	-	-
Separation and Redundancies	-	-
Other Employee Expenses	-	-
	<u>676</u>	<u>1,404</u>
Employees Other Than Office Holders:		
Wages and Salaries	1,220,520	1,300,244
Superannuation	229,196	237,375
Leave and Other Entitlements	167,296	136,074
Separation and Redundancies	-	1,749
Other Employee Expenses	58,629	67,923
	<u>1,675,641</u>	<u>1,743,365</u>
	<u>\$1,676,317</u>	<u>\$1,744,769</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
4. EXPENSES (CONT'D)		
4A. Employee Expenses (Cont'd)		
Martin Byrne held office during the year however this was an unpaid position.		
4B. Capitation Fees		
- Not applicable	-	-
	<u>\$-</u>	<u>\$-</u>
4C. Affiliation Fees		
Head Office		
Australian Council of Trade Unions	13,875	11,272
International Transport Workers' Federation	3,526	6,072
Nautilus	3,712	5,546
Victoria		
Victorian Trades Hall Council	847	1,347
Geelong Trades Hall Council	44	53
South West Trades & Labour Council	-	75
Tasmania		
Unions Tasmania	620	877
West Australia		
Unions WA	2,487	2,418
South Australia		
- nil	-	-
Queensland		
Union Shopper	1,235	1,299
Queensland Council of Unions	3,214	3,341
Newcastle		
Newcastle Trades Hall Council	917	911
NSW District		
Workers Health Centre Affiliation	564	550
Unions NSW	1,855	2,442
	<u>\$32,896</u>	<u>\$36,203</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
4. EXPENSES (CONT'D)		
4D. Administration Expenses		
Consideration to Employers for Payroll Deductions	-	-
Compulsory Levies	-	-
Penalties Imposed Under the Fair Work (Registered Organisations) Act 2009 or RO Regulations	-	-
Fees/allowances Paid to Persons to Attend Meetings and Conferences	-	-
Conference and Meeting Expenses (includes conference expenses Note 14 and travel and accommodation Note 15)	82,021	51,753
Property Expenses	93,053	99,624
Office Expenses	16,329	19,044
Information Communications Technology	42,280	34,160
Other Expenses:		
ACTU IR Levy	-	4,792
Advertising	-	263
Bank Charges and Government Duties	13,982	18,338
Entertainment	1,120	1,816
Florist/Death Notices	1,276	598
Motor Vehicle Costs	25,124	22,806
Publications	4,030	4,626
Shirts and Caps	-	7,711
Staff Amenities	2,416	4,305
Staff Training	1,536	(32,182)
Sundry	3,705	5,763
	<u>286,872</u>	<u>243,417</u>
4E. Grants and/or Donations/Fundraising		
Grants		
Total Paid that were \$1,000 or less	-	-
Total Paid that exceeded \$1,000	-	-
Donations		
Total Paid that were \$1,000 or less	550	1,694
Total Paid that exceeded \$1,000	11,000	100,793
Fundraising	3,850	20,753
	<u>15,400</u>	<u>123,240</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
4. EXPENSES (CONT'D)		
4F. Depreciation and Amortisation		
Depreciation		
Land and Buildings	40,304	39,799
Property, Plant and Equipment	31,966	33,662
	<u>72,270</u>	<u>73,461</u>
 Amortisation		
AIMPE App	3,910	326
Total Amortisation	<u>3,910</u>	<u>326</u>
Total Depreciation and Amortisation	<u>\$76,180</u>	<u>\$73,787</u>
4G. Finance Costs		
Interest Paid – Overdrafts	-	-
	<u>\$-</u>	<u>\$-</u>
4H. Legal Costs		
Litigation	-	-
Other Legal Matters	37,990	234,375
	<u>\$37,990</u>	<u>\$234,375</u>
4I. Projects		
Customs and Defence	900	6,754
Dredges	586	675
Federal Council	20,150	19,286
Federal Executive	7,040	15,581
Federal President Expense	24,670	26,505
Federal President Honorarium (includes prior years)	54,950	17,377
International Conferences – ITF/IMO	21,521	3,356
Maritime Industry Seagoing Award	13,443	8,369
NMSC/Qualification	3,138	8,328
NSW Power Industry (net of recoveries)	396	(2,548)
Offshore expenses	6,173	32,620
Port Services Award	80	729
Shipping Reform and Political Lobby	87,458	95,061
Surveyors	3,197	355
Tugs	19,630	73,661
Project – QLD Branch	26,326	25,807
	<u>\$289,658</u>	<u>\$331,916</u>
4J. Other Expenses		
On Watch Expenses	130,612	123,908
	<u>\$130,612</u>	<u>\$123,908</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
5. CURRENT ASSETS		
5A. Cash and Cash Equivalents		
Cash on Hand	5,260	4,760
Cash at Bank	579,987	584,838
Deposits at Call	2,763,245	3,258,328
	<u>\$3,348,492</u>	<u>\$3,847,926</u>
5B. Trade and Other Receivables		
Receivables from Other Reporting Units	-	-
Less Provision for Doubtful Debts	-	-
Other Receivables:		
Accrued Income	53,915	53,924
Employee Loans	5,000	5,000
Sundry Debtors	1,820	2,601
	<u>\$60,735</u>	<u>\$61,525</u>
6. NON CURRENT ASSETS		
6A. Land and Buildings		
Freehold Land and Buildings		
52 Buckingham Street, Surry Hills		
Sydney (at 2015 Valuation plus additions)	-	2,050,000
Sydney (at 2017 Valuation)	2,500,000	-
South Australia (at 2015 Valuation plus additions)	650,000	650,000
Newcastle (at 2015 Valuation plus additions)	-	450,000
Newcastle (at 2017 Valuation)	675,000	-
Victoria (at cost plus additions)	-	1,108,646
Victoria (at 2017 Valuation)	1,630,000	-
Western Australia (at 2014 Valuation plus additions)	-	600,000
Western Australia (at 2017 Valuation)	500,000	-
Queensland (at 2015 Valuation)	-	220,000
Queensland (at 2017 Valuation)	350,000	-
	<u>6,305,000</u>	<u>5,078,646</u>
Less: Accumulated Depreciation	-	(159,471)
	<u>\$6,305,000</u>	<u>\$4,919,175</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
6. NON CURRENT ASSETS (CONT'D)		
6A. Land and Buildings (Cont'd)		
Reconciliation of Opening and Closing Balances of Land and Buildings		
Gross Book Value 1 July 2016	5,078,646	5,078,646
Accumulated Depreciation	<u>(159,471)</u>	<u>(128,141)</u>
Net Book Value 1 July 2016	4,919,175	4,950,505
Additions		
- By revaluation	1,392,621	-
- By purchase	35,063	-
- Disposals	(1,555)	-
- Prior period adjustment	-	8,469
Depreciation Expense	<u>(40,304)</u>	<u>(39,799)</u>
Net Book Value 30 June 2017	<u>\$6,305,000</u>	<u>\$4,919,175</u>
Net Book Value as of 30 June 2017 represented by:		
Gross Book Value	6,305,000	5,078,646
Accumulated Depreciation	<u>-</u>	<u>(159,471)</u>
Net Book Value 30 June 2017	<u>\$6,305,000</u>	<u>\$4,919,175</u>

Fair value of the properties were determined by using the market comparable method. This means the valuations performed by the valuers were based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property.

As at the date of revaluations (2017 for Sydney, Newcastle, Victoria, Queensland and Western Australia, and 2015 for South Australia), the properties' fair values are based on valuations performed by Michael Wright (Sydney), Preston Rowe Paterson (South Australia and Newcastle), R.L Courtney Pty Ltd (Victoria), Valuations Queensland (Queensland) and Valuations WA (Western Australia), all accredited independent valuers.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

6. NON CURRENT ASSETS (CONT'D)

6B. Plant and Equipment

Motor Vehicles

Motor Vehicles - at cost	155,031	155,031
Less: Accumulated Depreciation	<u>(100,732)</u>	<u>(83,949)</u>
	54,299	71,082

Furniture and Fittings

Furniture and Fittings - at cost	175,398	177,225
Less: Accumulated Depreciation	<u>(141,857)</u>	<u>(138,346)</u>
	33,541	38,879

Office Equipment

Office Equipment - at cost	154,220	148,358
Less: Accumulated Depreciation	<u>(126,013)</u>	<u>(117,107)</u>
	28,207	31,251

Sundry Assets

Items include Noise Level Meters; Bindings for Publications and Reports; Hot Water Systems; Telephone Installations.

Sundry Assets - at cost	8,462	8,462
Less: Accumulated Depreciation	<u>(7,842)</u>	<u>(7,735)</u>
	620	727

Total written down value	<u>\$116,667</u>	<u>\$141,939</u>
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Reconciliation of Opening and Closing Balances of Plant and Equipment - 2017

	Motor Vehicles	Furniture and Fittings	Office Equipment	Sundry Assets	Total
Gross Book Value at July 2016	155,031	177,225	148,358	8,462	489,076
Accumulated Depreciation	<u>(83,949)</u>	<u>(138,346)</u>	<u>(117,107)</u>	<u>(7,735)</u>	<u>(347,137)</u>
Net Book Value 1 July 2016	71,082	38,879	31,251	727	141,939
Additions:					
- By purchase	-	-	7,037	-	7,037
Disposals					
- Other	-	(8)	(335)	-	(343)
- Prior period adjustment	-	-	-	-	-
Depreciation	<u>(16,783)</u>	<u>(5,330)</u>	<u>(9,746)</u>	<u>(107)</u>	<u>(31,966)</u>
Net Book Value 30 June 2017	<u>\$54,299</u>	<u>\$33,541</u>	<u>\$28,207</u>	<u>\$620</u>	<u>\$116,667</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

6. NON CURRENT ASSETS (CONT'D)

6B. Plant and Equipment (Cont'd)

Net Book Value as
of 30 June 2017
represented by:

Gross Book Value	155,031	175,398	154,220	8,462	493,111
Accumulated Depreciation	(100,732)	(141,857)	(126,013)	(7,842)	(376,444)
Net Book Value 30 June 2017	\$54,299	\$33,541	\$28,207	\$620	\$116,667

Reconciliation of Opening and Closing Balances of Property, Plant and Equipment - 2016

	Motor Vehicles	Furniture and Fittings	Office Equipment	Sundry Assets	Total
Gross Book Value at 1 July 2015	154,244	185,694	126,785	8,462	475,185
Accumulated Depreciation	(93,973)	(132,340)	(106,245)	(7,608)	(340,166)
Net Book Value 1 July 2015	60,271	53,354	20,540	854	135,019
Additions:					
By purchase	31,818	-	22,786	-	54,604
Disposals – Other	(5,553)	-	-	-	(5,553)
Prior Period Adjustment	-	(8,469)	-	-	(8,469)
Depreciation	(15,454)	(6,006)	(12,075)	(127)	(33,662)
Net Book Value 30 June 2016	\$71,082	\$38,879	\$31,251	\$727	\$141,939
Net Book Value as of 30 June 2016 represented by:					
Gross Book Value	155,031	177,225	148,358	8,462	489,076
Accumulated Depreciation	(83,949)	(138,346)	(117,107)	(7,735)	(347,137)
Net Book Value 30 June 2016	\$71,082	\$38,879	\$31,251	\$727	\$141,939

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
6. NON CURRENT ASSETS (CONT'D)		
6C. Intangibles		
AIMPE App - at cost	19,550	19,550
Less Accumulated Amortisation	(4,236)	(326)
Total Intangibles	<u>\$15,314</u>	<u>\$19,224</u>
Reconciliation of Opening and Closing Balances of Intangibles		
Gross Book Value at 1 July 2016	19,550	-
Accumulated Amortisation and Impairment	(326)	-
Net Book Value 1 July 2016	<u>19,224</u>	-
Additions:		
By purchase	-	19,550
Amortisation	(3,910)	(326)
Net book value 30 June 2017	<u>\$15,314</u>	<u>\$19,224</u>
Net Book Value at 30 June represented by:		
Gross Book Value	19,550	19,550
Accumulated Amortisation and Impairment	(4,236)	(326)
Net book value 30 June 2017	<u>\$15,314</u>	<u>\$19,224</u>
6D. Investments		
Shares in Listed Companies - at market value	<u>154,470</u>	<u>120,297</u>
	<u>\$154,470</u>	<u>\$120,297</u>
7. CURRENT LIABILITIES		
7A. Trade Payables		
Sundry Creditors and Accruals	161,521	195,570
Payables to Other Reporting Units:		
- Not applicable	-	-
	<u>\$161,521</u>	<u>\$195,570</u>
7B. Other Payables		
Membership Contributions Received in Advance	298,974	367,175
GST Payable	1,591	-
Consideration to Employers for Payroll Deductions	-	-
Legal Costs Payable	-	-
	<u>\$300,565</u>	<u>\$367,175</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
8. PROVISIONS		
8A. Employee Provisions		
Office Holders		
Annual Leave	-	-
Long Service Leave	-	-
Separations and Redundancies	-	-
Other	-	-
	<hr/>	<hr/>
Employees Other Than Office Holders		
Annual Leave	178,293	192,365
Long Service Leave	379,360	355,391
Separations and Redundancies	-	-
Other	-	-
	<hr/>	<hr/>
	557,653	547,756
	<hr/>	<hr/>
	\$557,653	\$547,756
	<hr/>	<hr/>
Current	178,293	192,365
Non Current	379,360	355,391
	<hr/>	<hr/>
	\$557,653	\$547,756
	<hr/>	<hr/>
The increase/(decrease) in current year provisions have been charged to operational expenditure at salary levels applicable at 30 June.		
9. EQUITY		
9A. General Fund		
Retained Profit (Loss) at the Beginning of the Year	3,607,191	3,687,937
Operating Profit (Loss) for the Year	(411,267)	(80,746)
Retained Profit (Loss) at the End of the Year	<hr/>	<hr/>
	\$3,195,924	\$3,607,191
	<hr/>	<hr/>
9B. Reserves		
Asset Revaluation Reserve		
Opening Balance	3,294,528	3,294,528
Revaluation Increment on Freehold Land and Buildings	1,392,621	-
Closing Balance	<hr/>	<hr/>
	4,687,149	3,294,528
	<hr/>	<hr/>
Capital Realisation Reserve		
Opening Balance	1,097,866	1,097,866
Transfer to Reserves	-	-
Closing Balance	<hr/>	<hr/>
	1,097,866	1,097,866
	<hr/>	<hr/>
	\$5,785,015	\$4,392,394
	<hr/>	<hr/>
9C. Other Specific Disclosures – Funds		
Compulsory Levy/Voluntary Contribution Fund	-	-
Other Fund(s) Required by Rules	-	-
	<hr/>	<hr/>
	\$-	\$-
	<hr/>	<hr/>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
10. CASH FLOW		
10A. Cash Flow Reconciliation		
Reconciliation of Net Cash Provided by Operating Activities to Operating Profit (Loss)		
Operating Profit (Loss)	(411,267)	(80,746)
Add Back:		
Adjustment to Reserves	-	-
Loss on Sale of Property, Plant and Equipment	1,898	-
Realised Loss on Investments	-	-
Unrealised Loss on Investments	-	-
Depreciation and Amortisation	76,180	73,787
Increase in Payables	-	-
Increase in Provisions	9,897	15,416
Decrease in Receivables	790	21,723
	<u>88,765</u>	<u>110,926</u>
	<u>(322,502)</u>	<u>30,180</u>
Deduct:		
Surplus on Sale of Property, Plant and Equipment	-	8,629
Realised Gain on Investments	-	-
Unrealised Gain on Investments	34,090	21,054
Decrease in Provisions	-	-
Dividend Reinvested	83	117
Decrease in Payables	100,659	162,154
	<u>134,832</u>	<u>191,954</u>
Net Cash Provided By Operating Activities	<u>\$(457,334)</u>	<u>\$(161,774)</u>
Reconciliation of Cash:		
Cash on Hand	5,260	4,760
Cash at Bank	579,987	584,838
Deposits at Call	2,763,245	3,258,328
	<u>\$3,348,492</u>	<u>\$3,847,926</u>

(a) The union has no credit stand-by or financing facilities in place.

(b) There were no non cash financing or investing activities during the year apart from dividend reinvestments.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
10. CASH FLOW (CONT'D)		
10B. Cash Flow Information		
Cash Inflows		
Australian Institute of Marine and Power Engineers	<u>\$2,351,067</u>	<u>\$3,000,003</u>
Cash Outflows		
Australian Institute of Marine and Power Engineers	<u>\$2,850,501</u>	<u>\$3,221,749</u>
11. Commitments and Contingencies		
Operating Lease Commitments – as lessee		
During the financial year the union entered into a residential tenancy agreement for a term of twelve months on a unit in Kingston Canberra. At the 30 June 2017 eight months were left on the lease term. Future minimum rental payable under non-cancellable operating leases at 30 June are as follows:		
Due within one year	16,328	15,984
After one year but not more than five years	-	-
After five years	-	-
	<u>\$16,328</u>	<u>\$15,984</u>
12. RELATED PARTY DISCLOSURES		
12A. Related Party Transactions for the Reporting Period		
Nil	\$-	\$-
12B. Key Management Personnel Remuneration for the Reporting Period		
Short Term Employee Benefits		
Salary (including annual leave taken)	155,850	152,005
Annual Leave Accrued	(4,003)	13,237
Performance Bonus	-	-
Total Short Term Benefits	<u>151,847</u>	<u>165,242</u>
Post-employment Benefits		
Superannuation	<u>31,042</u>	<u>31,042</u>
Total Post Employment Benefits	<u>31,042</u>	<u>31,042</u>
Other Long-term Benefits		
Long Service Leave Accrued	<u>4,000</u>	<u>(10,873)</u>
Total Long-term Benefits	<u>4,000</u>	<u>(10,873)</u>
Termination Benefits	-	-
Total Benefits	<u>\$186,889</u>	<u>\$185,411</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
12. RELATED PARTY DISCLOSURES (CONT'D)		
12B. Key Management Personnel Remuneration for the Reporting Period (Cont'd)		
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<p>Honorariums paid to elected officials are not included in the above remuneration figures. The honorariums are voluntary payments intended to cover the costs of holding office and are not considered remuneration. Honorariums are disclosed under other employee expenses (note 4A) and under project expenses.</p>		
12C: Transactions with Key Management Personnel and their Close Family Members		
Other Transactions with Key Management Personnel		
- Nil	\$-	\$-
13. AUDITOR'S REMUNERATION		
Amounts received, or due and receivable, by Auditors for:		
Financial Statement Audit Services	\$51,540	\$52,740
Other Services	-	-
<p>Included above are amounts received, or due and receivable, by Auditors other than KSG Assurance & Audit Services Pty Ltd</p>		
Auditing the Accounts (Branches)	\$17,540	\$14,540
14. MEETING AND CONFERENCE EXPENSES – CONFERENCES		
- Nil	-	-
	<u>\$-</u>	<u>\$-</u>
15. MEETING AND CONFERENCE EXPENSES - TRAVEL AND ACCOMMODATION		
Head Office	15,148	15,432
Sydney Branch	-	54
Newcastle Branch	32,588	29,690
Victoria Branch	1,252	1,366
Western Australia Branch	27,114	-
Queensland Branch	5,919	5,211
	<u>\$82,021</u>	<u>\$51,753</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

16. SEGMENT REPORTING

The Union operates predominantly in one business and geographical segment, being a union of employees providing industrial and workplace relations services to its members in Australia.

17. FINANCIAL INSTRUMENTS

Interest Rate Risk

The union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets is not material. The union's exposure to interest rate risk is detailed in note 17F.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying value of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to and forming part of those financial statements and note 17D.

The union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the union.

Liquidity Risk

Liquidity risk arises from the possibility that the union might encounter difficulty in settling its debts or meeting its obligations in relation to financial liabilities. The union manages that risk by preparing cash flow forecasts and only investing surplus cash. The union's exposure to liquidity risk is disclosed in note 17E.

Net Fair Values

Assets and liabilities have been valued at their net fair value at balance date. This value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying value exceeds fair net values have not been written down as the union intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements and at note 17G.

	2017	2016
	\$	\$
17A. Categories of Financial Instruments		
Financial Assets		
Cash and Cash Equivalents	585,247	589,598
Receivables	60,735	61,525
Held to Maturity Investments		
- Term Deposits	2,763,245	3,258,328
Available for Sale Assets		
- Shares in Listed Companies – at market value	154,470	120,297
Carrying Amount of Financial Assets	<u>\$3,563,697</u>	<u>\$4,029,748</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
17. FINANCIAL INSTRUMENTS (CONT'D)		
17A. Categories of Financial Instruments (Cont'd)		
Financial Liabilities		
Other Financial Liabilities		
- Contributions Received in Advance	298,974	367,175
- Trade and Other Payables	163,112	195,570
Carrying Amount of Financial Liabilities	<u>\$462,086</u>	<u>\$562,745</u>
17B. Net Income and Expense from Financial Assets		
Cash and Cash Equivalents		
- Interest	761	1,273
Receivables		
- Not applicable	-	-
Held to Maturity Investments		
- Interest	106,976	123,536
Available for Sale Assets		
- Dividends	7,257	4,125
- Change in Market Value	34,090	21,054
Net Gain/(Loss) from Financial Assets	<u>\$149,084</u>	<u>\$149,988</u>
17C. Net Income and Expense from Financial Liabilities		
Other Financial Liabilities		
N/A	-	-
Net Gain/(Loss) from Financial Liabilities	<u>\$-</u>	<u>\$-</u>
17D. Credit Risk		
The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.		
Financial Assets		
Cash and Cash Equivalents	585,247	589,598
Receivables	60,735	61,525
Held to Maturity Investments	2,763,245	3,258,328
Available for Sale Assets	154,470	120,297
Total	<u>\$3,563,697</u>	<u>\$4,029,748</u>
Financial Liabilities		
Other Financial Liabilities	462,086	562,745
Total	<u>\$462,086</u>	<u>\$562,745</u>

No assets have been pledged or held as collateral.

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

17. FINANCIAL INSTRUMENTS (CONT'D)

17D. Credit Risk (Cont'd)

Credit quality of financial assets not past due or individually determined as impaired:

	Not past due or impaired 2017	Past due or impaired 2017	Not past due or impaired 2016	Not past due or impaired 2016
Cash and Cash Equivalents	585,247	-	589,598	-
Receivables	60,735	-	61,525	-
Held to Maturity Investments	2,763,245	-	3,258,328	-
Available for Sale Assets	154,470	-	120,297	-
	<u>\$3,563,697</u>	<u>\$-</u>	<u>\$4,029,748</u>	<u>\$-</u>

Ageing of financial assets that were past due but not impaired 2017:

	0 – 30 days	31 – 60 days	61 – 90 days	90+ days	Total
Cash and Cash Equivalents	585,247	-	-	-	585,247
Receivables	60,735	-	-	-	60,735
Held to Maturity Investments	2,763,245	-	-	-	2,763,245
Available for Sale Assets	154,470	-	-	-	154,470
	<u>\$3,563,697</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$3,563,697</u>

Ageing of financial assets that were past due but not impaired 2016:

	0 – 30 days	31 – 60 days	61 – 90 days	90+ days	Total
Cash and Cash Equivalents	589,598	-	-	-	589,598
Receivables	61,525	-	-	-	61,525
Held to Maturity Investments	3,258,328	-	-	-	3,258,328
Available for Sale Assets	120,297	-	-	-	120,297
	<u>\$4,029,748</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$4,029,748</u>

17E. Liquidity Risk

Contractual maturities for financial liabilities 2017:

	On Demand	<1 Year	1-2 Years	2-5 Years	>5 Years	Total
Other Financial Liabilities	298,974	163,112	-	-	-	462,086
	<u>\$298,974</u>	<u>\$163,112</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$462,086</u>

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

17. FINANCIAL INSTRUMENTS (CONT'D)

17E. Liquidity Risk (Cont'd)

Contractual maturities for financial liabilities 2016:

	On Demand	<1 Year	1-2 Years	2-5 Years	>5 Years	Total
Other Financial Liabilities	367,175	195,570	-	-	-	562,745
	\$367,175	\$195,570	\$-	\$-	\$-	\$562,745

17F. Interest Rate Risk

Sensitivity analysis of the risk that the entity is exposed to for 2017

	Change in Risk Variable %	Effect on Profit and Loss	Effect on Equity
Interest Rate Risk	+1%	+30,108	+30,108
Interest Rate Risk	-1%	-30,108	-30,108

Sensitivity analysis of the risk that the entity is exposed to for 2016

	Change in Risk Variable %	Effect on Profit and Loss	Effect on Equity
Interest Rate Risk	+1%	+40,618	+40,618
Interest Rate Risk	-1%	-40,618	-40,618

17G. Net Fair Values

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

	Carrying Amount 2017	Fair Value 2017	Carrying Amount 2016	Fair Value 2016
Cash and Cash Equivalents	585,247	585,247	589,598	589,598
Receivables	60,735	60,735	61,525	61,525
Held to Maturity Investments	2,763,245	2,763,245	3,258,328	3,258,328
Available for Sale Assets	154,470	154,470	120,297	120,297
	\$3,563,697	\$3,563,697	\$4,029,748	\$4,029,748

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2017

18. UNION DETAILS

The principal place of business of the Union is:

Australian Institute of Marine and Power Engineers
52 Buckingham Street
SURRY HILLS NSW 2010

AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS

FEDERAL PRESIDENT'S STATEMENT

On the 9th November 2017 the Federal President states as follows in relation to the general purpose financial report (GPFR) of the Institute for the financial year ended 30 June 2017:

The Federal President declares that in his 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 Institute for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Institute will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Federal Executive were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the Institute have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the Institute have been kept and maintained in accordance with the RO Act; and
 - (iv) the financial records of the Institute and its Branches have been kept, as far as practicable, in a consistent manner with each other; and
 - (v) where information has been sought in any request by a member of the Institute or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

Signature of Registered officer:



Name and title of Registered officer: Terry Snee FEDERAL PRESIDENT

Dated:

9th day of November 2017



**ACCOUNTANT'S COMPILATION REPORT
TO THE AUSTRALIAN INSTITUTE
OF MARINE AND POWER ENGINEERS**

We have compiled the accompanying general purpose financial statements of the Australian Institute of Marine And Power Engineers which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory notes. These have been prepared in accordance with the accounting policies described in Note 2 to the financial statements.

The Responsibility of the Federal President

The Federal President of the Australian Institute of Marine And Power Engineers is solely responsible for the information contained in the general purpose financial statements and has determined that the accounting policies used are appropriate to meet the Institute's needs and for the purpose that the financial statements was prepared.

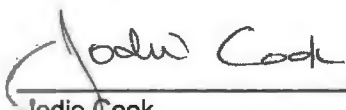
Our Responsibility

On the basis of information provided by the Federal President we have compiled the accompanying general purpose financial statements in accordance with Australian Accounting Standards and APES 315 *Compilation of Financial Information*.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Federal President provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The general purpose financial statements were compiled exclusively for the benefit of the Federal President. We do not accept responsibility to any other person for the contents of the general purpose financial statements.

Name of Firm: Key Solutions Group (Accountants and Business Consultants) Pty Ltd
Address: Suite 255, High Park Tower, 813 Pacific Highway, Chatswood NSW 2067

Name of Principal: 
Jodie Cook

Date: 9th day of November 2017

Key Solutions Group (Accountants & Business Consultants) Pty Ltd

Level 2, 813 Pacific Highway
Chatswood NSW 2067
PO Box 1290 Chatswood 2057
P +61 2 9406 5900
F +61 2 9406 5999
E mailus@ksg.com.au

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*
TO FEDERAL EXECUTIVE OF THE AUSTRALIAN INSTITUTE
OF MARINE AND POWER ENGINEERS**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been:

- (a) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.

KSG Assurance & Audit Services Pty Limited
Chartered Accountants



Bruce Howle
Managing Principal

Auditor Registration Number AA2017/1

Holder of Public Practice Certificate issued
by Chartered Accountants Australia and New Zealand

Dated at Sydney this 9th day of November 2017

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE AUSTRALIAN INSTITUTE
OF MARINE AND POWER ENGINEERS**

Opinion

I have audited the financial report, being a general purpose financial report, of Australian Institute of Marine and Power Engineers ("the Union") for the year ended 30 June 2017 as set out on pages 5 to 34. This report comprises the Federal President's Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and notes comprising a summary of significant accounting policies and other explanatory information.

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

- (a) the Australian Accounting Standards; and
- (b) 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).

I declare that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statement is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Federal President 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. My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Federal President for the Financial Report

The Federal President of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Federal President determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE AUSTRALIAN INSTITUTE OF MARINE AND POWER ENGINEERS (CONT'D)

Responsibilities of the Federal President for the Financial Report (Cont'd)

In preparing the financial report, the Federal President is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Federal President either intends to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Federal President.
- Conclude on the appropriateness of the Federal President'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 Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit 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 Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE AUSTRALIAN INSTITUTE
OF MARINE AND POWER ENGINEERS (CONT'D)**

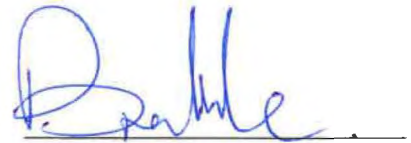
I communicate with the Federal President regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

Report on the Recovery of Wages Activity financial report

The reporting unit has not undertaken any recovery of wages activity during the reporting period as reported in the Federal President's Statement. No opinion can be provided in relation to recovery of wages activity.

KSG Assurance & Audit Services Pty Limited



Bruce Howle
Managing Principal

Auditor Registration Number AA2017/1

Holder of Public Practice Certificate issued
by Chartered Accountants Australia and New Zealand

Dated at Sydney this 9th day of November 2017