

FEDERAL TREASURER'S REPORT

INTRODUCTION

Attached please find a copy of the audited accounts for the financial year 2010-2011. The Fair Work Act requires that the accounts be received by the governing body of the union.

INCOME

AIMPE's Total Income for the 2010-11 financial year was over \$1,030,638 more than in the previous financial year:

| | |
|-----------|-------------|
| 2004-2005 | \$1,533,691 |
| 2005-2006 | \$2,038,815 |
| 2006-2007 | \$1,649,941 |
| 2007-2008 | \$1,298,496 |
| 2008-2009 | \$1,660,116 |
| 2009-2010 | \$2,387,627 |
| 2010-2011 | \$3,418,265 |

The massive increase in income was the result of the inclusion as income of the 'profit' of \$827,095 from the sale of the old property at Clarendon Street, South Melbourne. This figure represents the difference between original purchase price and actual sale price. This figure can be misleading for two reasons: firstly the proceeds of the sale was used to purchase the new premises at Convention Centre Place, South Wharf, secondly the old property had been re-valued and the revaluation figure included in the accounts.

There was an increase in revenue from membership contributions, levies and On Watch contributions to a level which exceeded the amount received in recent years:

| | |
|-----------|-------------|
| 2004-2005 | \$1,290,746 |
| 2005-2006 | \$1,430,873 |
| 2006-2007 | \$1,519,312 |
| 2007-2008 | \$1,680,712 |
| 2008-2009 | \$1,868,995 |
| 2009-2010 | \$2,129,077 |
| 2010-2011 | \$2,377,505 |

This reflected the continuing increase in the number of members in one or other of the Seagoing categories – especially in the offshore oil and gas sector. AIMPE has recorded increases in total financial membership for each of the last 7 years. Also the increase in membership fees approved by the Federal Council assisted in gathering more income.

The combined income from Interest, Rent, Dividends and Distributions recovered somewhat as a result of increased interest rates obtained on short term investments during the period:

| | |
|-----------|-----------|
| 2004-2005 | \$209,791 |
| 2005-2006 | \$218,731 |
| 2006-2007 | \$104,765 |
| 2007-2008 | \$172,825 |
| 2008-2009 | \$210,623 |
| 2009-2010 | \$143,950 |
| 2010-2011 | \$177,010 |

EXPENDITURE

On the expenditure side of the ledger, expenses during 2009-2010 were greater than the expenses incurred in the previous year:

| | |
|-----------|-------------|
| 2004-2005 | \$1,523,876 |
| 2005-2006 | \$1,682,282 |
| 2006-2007 | \$1,737,296 |
| 2007-2008 | \$1,841,975 |
| 2008-2009 | \$1,847,607 |
| 2009-2010 | \$1,968,567 |
| 2010-2011 | \$2,333,773 |

The biggest increase in expenditure was in relation to personnel which increased by over \$180,000 as a result of the engagement of new Organisers in Brisbane and Perth. Donations were up by around \$50,000 including a strategic donation to Adam Bandt of the Greens. There was an increase of almost \$40,000 in expenditure on Projects which reflects the extra effort being put into organizing including ship visits. Legal fees were up by about \$20,000 reflecting battles in court against the likes of Inco Ships and CSL and On Watch production expenses increased by over \$10,000 reflecting the growing size of the print run and a special 130th anniversary edition. Telephone and internet expenditure decreased by almost \$8,000.

ASSETS & LIABILITIES

The Institute is in a solid financial position with non-current assets of \$6,049,186 compared with \$5,446,975 in 2009-2010 reflecting the value of the new building purchased in Melbourne for the Victoria Tasmania Branch operations.

Current assets increased to a total of \$2,075,659 compared with \$1,827,098 in 2009-2010 reflecting the greater revenue reported above. This is a very good position as it reflects a capacity to fund virtually a full year of normal operations.

Total assets as at 30th June 2011 stood at \$8,124,845 compared with \$7,274,073 in 2009-2010. AIMPE continues to own all of the premises where the employees operate [as well as the SA Building] and the investments managed by Macquarie recovered some of the lost value suffered over the two previous financial years. At the end of the reporting period the AIMPE investments with Macquarie stood at \$1,459,625 an increase of over \$80,000 above the \$1,378,153 reported in the previous financial year.

Current liabilities increased by about \$124,000 to \$892,396 although a large portion of this liability is attributable to membership fees paid in June for the following financial year – a figure of around \$550,000. Provisions for annual leave increased to \$145,661.

In the non-current liabilities category provisions for Long Service Leave increased to \$324,117 from the previous figure of \$282,077.

When total liabilities are taken into account the net asset position of AIMPE as at 30th June 2011 was \$6,908,332 compared with \$6,223,840 in 2009-2010 and \$5,411,668 in 2008-2009. By any manner of reckoning this is a very good improvement over a two year period.

CONCLUSION

The operating surplus of \$1,084,492 is significantly impacted by the surplus of \$827,095 attributable to the sale of the old premises in Clarendon Street South Melbourne. If that figure is disregarded however the organization still remained in the positive to the tune of around \$257,000. This is the second year in the black after two years with major operating deficits - \$187,491 in 2008-2009 and \$543,479 for 2007- 2008.

Martin Byrne
Federal Treasurer