



Annual Report
2010-2011
Power @ Work

MEDIA, ENTERTAINMENT & ARTS ALLIANCE

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federal secretary’s message



In the past financial year, the environment for both unions and for our creative industries has changed in ways that provide opportunities to build power at work, while at the same time threatening to undermine creative workers and their union. The dramatic change in the political environment continues to challenge us. The new industrial laws have brought a better environment to rebuild our union presence and the rights of workers. However, the political decline of the federal government has reopened the threat that a new conservative government will revisit the agenda that underpinned WorkChoices. While Australia as a whole avoided the northern recession, global uncertainties continue and we are continuing to grapple with the impact of the digital revolution, the restructuring of the Australian and New Zealand economies in the light of the rise of developing economies in Asia, and the changing nature of work in our industry. Such dramatic change in such a short period of time demonstrates yet again that everything we do has to be focussed on meeting the challenge of reshaping our environment, and our industry, the way we want it to be shaped. This Alliance is conducting a fundamental review of our future strategies, while, at the same time, continuing to build power for the people who inform and entertain Australia and New Zealand. The challenges we face put immense pressure on the Alliance’s resources, skills and capacity to achieve our goals. That’s why we’ve adopted the following five-point strategy. This will involve:

- Organising to grow
- Collective bargaining
- New services for a new era
- Communications and campaigns
- Be part of something bigger

We have recognised the need to be part of something bigger for one

reason: if we are to build power we have to build union membership within the media, entertainment and art industries, particularly in emerging sectors. There are significant economies of scale in being part of something bigger. While achieving these economies will be challenging, strong political commitment from Alliance leaders in any future organisation can deliver strong results. We need resources to develop things like standard-form contracts, to provide access to insurance (such as journey cover, professional indemnity, professional liability), to give advice and assistance on back-office functions, and to deepen the professional training we provide and to extend it across the union. Successful organising takes resources, as it is built on structured one-on-one conversations with potential and current members. Yet it is critical for us to break into these sectors of our industry if we are to build power for a rising generation of people who inform and entertain. We already commit extensive resources to campaigning on shaping our industries for our members’ benefit – fighting for funding for public broadcasters, championing innovation in the media industry, battling for fairer conditions for entertainment crew and staff such as a four hour call, and ensuring Australian performers are engaged as a priority on taxpayer funded productions. There are often external pressures to limit our commitments in this area, but a strong activist union such as ours needs to put more into this work, rather than less. In this report, we look back at what we’ve achieved over the past financial year. We’ve had some important wins and it’s right that we should celebrate them. But we know we can’t stand still. Over the next few months we’ll continue to look at how we restructure ourselves to ensure we can be everything we know our union can be. At the heart of that will be the continued active engagement by the members of our union – the people who inform and entertain Australian and New Zealand.

Christopher Warren
Alliance federal secretary

federal president’s message



The media and entertainment industries, in which we all a part, are undergoing fundamental restructuring. Having your ballet performance broadcast in cinemas in regional Australia, having NBC record your live show for international DVD release, writing a newspaper feature article but being asked to make it online friendly and spend the next 24 hours tweeting your followers about the issues you raised are just a few examples of the way our working lives are changing, but the solutions remain the same: we have to rewrite the rule books so we can take advantage of these opportunities, rather than be taken advantage of. We’ve had some big successes by standing together. But now, more than ever before, we need to make sure our jobs and the industries in which we work remain prosperous. The changing industrial environment has provided the Alliance with opportunities and challenges. We are working to seize opportunities to build power in new areas where many people in the media and entertainment industries now work; areas like animation, gaming, and online media. We are also working to protect quality from those who would argue that tough times and smaller budgets mean we have to compromise or cut corners. It’s an argument Fairfax staff have taken up with management time and time again. It’s also an argument performers are taking up with the federal government as we speak – bringing in more foreign performers, as the government proposed in their draft foreign actor guidelines, is a bandaidd solution to boost box office takings and TV ratings. It’s one we know doesn’t work. The federal government’s proposal to drastically change the rules that govern the importation of foreign actors is the biggest threat to

Australian performers for a generation. It was never going to be an easy fight, nor a fair one; the changes were drafted without any consultation with performers, and initially we were given a week to respond, but as always Alliance members rose to the challenge. Thousands rushed to www.aussiefaces.org.au and signed the petition to Simon Crean, cast meetings were held across the country where resolutions condemning the proposed changes were passed, 100 high profile members put their name to an open letter which appeared in *The Australian*, and many gave up their time to attend rallies and meetings. The government and industry bodies were forced to start listening to our concerns; why hadn’t performers been consulted? Why make it even harder for Australian actors to make a living in this country? Where would the likes of Toni Collette, Geoffrey Rush and scores of other internationally successful Australian performers be if it wasn’t for their break out roles in Australian productions? Isn’t one of the defining aspects of an “Australian” production that it has Australian actors and Australian voices? We have met with the producers and the government on several occasions to put our case forward in the strongest possible way. Australian actors have also indicated, via a secret ballot, that they are willing to take strike action if necessary. This is how the importation process worked in the 1980s – performers stood together to protect their jobs and their industry. I have no doubt we can do it again if need be. The Alliance is in the process of asking some big questions about how to sustain a strong union that builds power at work for the people who inform and entertain in Australia and New Zealand. I am confident that together we will tackle these challenges with our usual enthusiasm and absolute determination.

Patricia Amphlett
Alliance federal president



the alliance

The Alliance is the union and professional organisation that covers everyone in the media, entertainment, sports and arts industries. Our members include people working in television, radio, theatre and film, entertainment venues and recreation grounds, as journalists, actors, dancers, sportspeople, cartoonists and photographers, orchestral and opera performers, as well as people working in public relations, advertising, book publishing and website production. Building on our proud history we aim to empower the people who inform and entertain Australia through:

- **Collective bargaining** – The Alliance negotiates collective agreements at workplaces to set and safeguard fair pay rates and working conditions.
- **Campaigning** – The Alliance campaigns for better pay, conditions and rights. It campaigns to strengthen the media and entertainment industries through government funding, policies and laws including press freedom, Australian television and film content, occupational health and safety, public broadcasting and arts funding.
- **Community building** – The Alliance works to build the community of the people who inform

and entertain Australia by creating networks, training, professional development and building power at work.

- **Communicating** – The Alliance provides advice and information to all members about their industry and their individual and collective rights at work. Through a combination of regular magazines, training sessions and events, weekly e-bulletins, reports, submissions, information booklets, fact sheets and the Alliance website, members are kept informed about their workplaces and their industries.
- **Capacity building** – The Alliance works to utilise its resources in the most economical way to achieve the best results possible for its members. This involves activist training for members as well as constantly improving staff organisation and development.

What do we stand for?

The Alliance works according to a set of principles we believe are important: things like collective action, safeguarding Australian identity and democracy, equal opportunity and fair working conditions for all. As the industrial landscape changes and our very existence comes under threat, these become even more important.

Andrew Derwent's home burnt to the ground on Black Saturday. This image was taken during Andrew and his family's second winter living in a cramped, makeshift home while temperatures dipped as low as -4°C. Andrew is taking a shave before work at 5am in their outdoor bathroom, a moment summing up the hard experiences many families are enduring.

Jason Edwards is photographer with the *Diamond Valley Leader*. This image is part of photo essay that won "Best in Show" at the 2011 Walkley Melbourne Slide Night



campaigning

The Media, Entertainment & Arts Alliance is an activist union: one of the things we have always done best is to campaign for the rights of our members, be vocal in policy reviews, and lobby government to create economic and cultural conditions which support the industries in which our members work. The 2010-2011 period has been no different. We have continued to campaign around press freedom and journalist rights and build industrial clout for our freelance members, as well as for performers' copyright and for local content regulations and subsidies for our performer members, and for more equitable conditions for our crew and entertainment worker members. We have also introduced new campaigns, such as the Save Spaces for Aussie Faces Campaign which promises to fight proposed changes to the Foreign Actor Certification Scheme which could see fewer employment opportunities for local actors on Australian productions.

Freelance journalists

This year brought a win for freelance journalists around Australia, when the Australian Consumer and Competition Council (ACCC) granted the Alliance a waiver from the Trade Practices Act. This empowered the union to negotiate a collective agreement for freelance journalists with the four major media

companies – Fairfax, News Ltd, Pacific Magazines and ACP. We have sought to initiate these talks by writing to the companies.

Initial discussions have been held with Pacific Publications, although only limited progress has been made so far. Neither News Ltd, nor Fairfax, have responded to our request for talks. ACP has refused to talk. As a basis for these talks, we have prepared a standard form freelance contract. We also undertook a survey and review of our freelance membership to provide the sort of comprehensive mapping information that will be necessary to underpin the campaign. In the preliminary online stage, around 400 members responded. We followed this up with phone surveys with some of the remaining 1000 members who list themselves as freelance. The results of these surveys were discussed in a working group at the Melbourne Freelance Convention in May 2011 and published in *The Walkley Magazine*.

The Alliance has been assisting the development of freelance networks in Sydney, Melbourne and Brisbane.

Casual conditions: Fight for Four

The Alliance is fighting moves to replace the live theatre four-hour call with a three-hour award minimum as part of the "award modernisation

Performers concerned about proposed changes to the Foreign Actor Certification Scheme rally at the Sydney headquarters of the Media, Entertainment & Arts Alliance



Cartoon by Fiona Katauskas

process". Members in the ATAFA section are fighting for a standard theatre agreement which includes the four-hour minimum call, as well as improved wages. The campaign – Fight for Four – has managed to sustain the four-hour minimum call in most productions and theatres, some of them in collective agreements.

Aside from the reduction to the minimum call, there have been some positives garnered from the award modernisation process – increased casual loading (to 25 per cent), the right to transfer to part-time employment after six months of work, and the right to access parental leave. It should be noted however that increased casual loading will be phased in over five years, at one per cent a year, starting on July 1, 2010.

These standard award conditions will be a good basis on which to build when we resume negotiations with Live Performance Australia, and try to secure a national theatre agreement that will include a four-hour minimum call, fairer rates of pay, and additional protections not available under the award.

Film funding

The Alliance continues to campaign to win improved film funding, to support the industry in which many of our members work.

We have supported the continued producers rebate. We have submitted to the review of the sector that the local rebate (40 per cent) should be more tightly targeted to ensure its cultural goals are met. We are discussing with crew the possibility of seeking further concessions including a more competitive off-shore rebate (currently 15 per cent), perhaps hedged against currency movements.

In June 2010, Media Super launched a \$20 million loan scheme to advance the value of the rebate to producers in exchange for a completion guarantee.

The Alliance has been working with crew to achieve improvements in the location offset, a rebate for off-shore productions. In a meeting with the new Arts Minister Simon Crean last year, the Alliance argued that the offset could be increased to 30 per cent without impacting the budget because the current budgetary allocation could not be spent while the offset was at an uncompetitive 15 per cent.

Performing arts companies and cultural policy

In 2009, the then Minister for the Arts, Peter Garrett, announced a major government review of cultural policy. Work on this policy continues. This is of particular relevance to the issue of arts funding, which continues to fail to keep pace with increased demand, particularly to sustain the fully-professional sector.

Many of the major performing arts companies – particularly the symphony orchestras – are facing a crunch due to the failure of the previous government to properly index annual grants. The Alliance is lobbying the government to fix the indexation formula – as they have

with tertiary education – and increase the funding to the level it would have been at had it been properly indexed from the start. These issues were raised with Arts Minister Crean as a priority in our first post-election meeting.

In the meantime, the Adelaide Symphony Orchestra took rolling industrial action to seek equitable wages comparable with their Melbourne and Sydney colleagues under the *Great Cities Need Great Orchestras* campaign. Across the border, Orchestra Victoria has advised the Alliance that it is close to insolvency and must identify major savings, which could include cuts to the wages of players. The Australia Council has received a report which recommends that the orchestras should be restructured with a significantly larger part-time or casual workforce.

Performers' copyright

The Alliance has been working with the International Federation of Actors (FIA) to lobby at World Intellectual Property Organisation (WIPO) on the issue of performers' copyright. Performers are seeking a treaty that would secure their rights to protect their image and reputation, and to uphold their claim for proper and just compensation when their work is used in any media, including in Australia.

In Australia, meetings have been held with the Attorney-General, Robert McClelland, who has been supportive, though to date there has been no move to legislate.

Assistant federal secretary Simon Whipp has also been involved in global lobbying with WIPO in Geneva, and will attend the 2012 meeting, where it is hoped a new global convention will be settled.

iiNet and piracy

The Alliance was a party to the Federal Court appeal in the landmark online copyright trial involving the Perth-based Internet Service Provider iiNet. Our view is that internet providers are profiting from their customers' downloading activities at the film industry's expense. The case has run since 2008 when more than 30 entertainment companies sued iiNet, arguing it was liable for acts of copyright infringements carried out by its customers. We share their fears that illegal movie downloads will erode second-tier film and television production income streams generated by sales of DVDs and broadcast rights.

The Australian Federation Against Copyright Theft (AFACT) lost its bid in the first instance in February 2010, when the Federal Court ruled that iiNet had not authorised its customers to commit acts of copyright infringement. AFACT appealed the decision and the full-bench substantially upheld the original decision, although it opened the door to negotiations between the parties.

The matter has now been appealed to the High Court. The Federal Government's Convergence Review is also likely to address this question.

Safety of media workers

The Alliance has long campaigned to improve the safety of media workers – both working in Australia and overseas.

War crimes

The report of the NSW Coroner on the killings in East Timor in 1975 has led to an investigation by the Federal Police into whether it is possible to sustain a war crimes prosecution against the Indonesian military officers responsible for the murders of the five journalists killed in Balibo, and the subsequent murder of Roger East in Dili. The Alliance has welcomed this inquiry.

We are also encouraging the Australian Federal Police to reconsider its decision not to take up an investigation into the figures behind the murder of Paul Moran in Iraq in 2003. The leader of Ansar al-Islam (the group that murdered Moran) is in exile in Norway.



Melbourne footballer Liam Jurrah on his soil of Yuendumu in central Australia

Code of practice

The Coroner's recommendations picked up a proposal from the Alliance that there should be an industry code of practice for safe work. In 2008 and early 2009, the employers prepared a code without any consultation with the Alliance. We rejected this code when it was released in May 2009 and proposed to all the major employers that we enter into talks for an agreed code. None have responded.

Free media in a democratic society

The Alliance has continued its Campaign for a Free Media in a Democratic Society. This campaign has had five heads:

- Media ownership and diversity;
- Self-regulation;
- Public broadcasting;
- Laws and regulations;
- Freedom of information.

Underpinning the campaign is the Alliances annual press freedom report, released this year at the press freedom dinner in late April, in the lead-up to World Press Freedom Day on May 3. In 2010, we organised a parallel event in Brisbane as part of the UNESCO press freedom conference which was hosted by the University of Queensland.

We continued to maintain a Press Freedom Committee of senior journalists active on press freedom issues, and have agreed with the Australia's Right to Know coalition to make this a joint

committee with them.

Within this broader campaign, the Alliance has been focussing on four key issues, with a fifth issue – privacy law – emerging as a matter of increasing importance.

Anti-terror laws

The federal government has released its review of anti-terror laws. This review marks a significant improvement in relation to freedom of expression and should provide a greater focus on human rights, including press freedom. Significantly, the paper largely picks up the proposal of the Law Reform Commission to abolish the offence of sedition and replace it with a more targeted offence of "promoting violence".

The Alliance has met with the Attorney-General Robert McClelland twice now on these issues. We have made our own submission to the review, and substantially drafted the submission from Australia's Right to Know.

WikiLeaks

Competing views of the media and government came to a head over the WikiLeaks case in late 2010, particularly after the Prime Minister attacked WikiLeaks as acting illegally and the government threatened to withdraw the passport of its editor-in-chief Julian Assange, who is a Media Alliance



Artwork by Joanne Brooker

member. The Alliance protested at these actions, both publicly and in approaches to the government.

In December, through the Walkley Foundation, we coordinated a letter to the government signed by many of Australia's senior newspaper editors and news directors which protested the government's approach, and defended the work of WikiLeaks as a legitimate media organisation.

The Alliance was also represented at major rallies and protests in support of WikiLeaks.

Protection of sources

The hung parliament has now approved legislation which provides a shield law for journalists. The new federal law provides a rebuttable presumption that journalists should respect the confidentiality of a source.

This has been a significant breakthrough and we are now lobbying state governments to adopt this provision and to extend it to investigatory bodies such as Western Australia's Corruption and Crime Commission, and the Independent Commission Against Corruption in NSW.

In Victoria, the Office of Police Integrity has threatened the confidentiality of sources in its investigation into leaks about police activities.

The federal government has announced that it intends to go further in providing whistleblower protection than was foreshadowed in the report of the House of Representatives Committee. Specifically, they have said they will provide protection for some public disclosures. However, no legislation has yet been provided and it is likely that the hung parliament will have strong views on this matter.

Freedom of information

The Federal Government's freedom of information package has now been implemented, along with reforms in Queensland and NSW.

Internet filtering

The Alliance has strongly opposed the introduction of mandatory internet filtering. As a result of the election results in 2010, this issue now seems to have gone off the agenda.

ABC and public broadcasting

The federal government hopes to pass legislation this year to introduce merit selection for ABC and SBS directors and to reinstate the staff-elected director at the ABC. This would enable an election for the staff-elected director to be held before the end of this year.

The Alliance is considering how to support the SBS in seeking improved funding and how to build support for improved ABC funding in the lead-up to the 2012 triennial review. One option being canvassed is to postpone the review for 12 months, avoiding a clash with the review of public broadcasting coming up in what is likely to be an extremely tight public budget.

The federal government is expected to announce the winner of the tender for the Australia Network between the ABC and Sky television.

The Alliance supported the move to transfer the decision from the Department of Foreign Affairs to the Cabinet.

In New Zealand, we are cooperating with campaigns in support of Radio New Zealand and TV New Zealand.

Imported artists' regulation – Save Spaces for Aussie Faces

In May 2011 the Office for the Arts proposed fundamental changes to the current Foreign Actor Certification Scheme (which has been in place for more than 20 years) that would allow Australian producers to bring in overseas performers on any and every screen production, from those supported by the Australian Content Standard, including *Home and Away* and *Packed to the Rafters*, to those funded by the Australian taxpayer, such as *Animal Kingdom*. Members are concerned that the proposal could destroy the livelihood and careers of Australian performers and erode the uniqueness of Australian screen culture. The Alliance has established the campaign Save Spaces for Aussie Faces (www.aussiefaces.org.au) to lobby to retain the existing guidelines. We argue these have established career paths and provided critical employment opportunities for Australian performers for more than two decades.

In June, the Alliance held meetings with hundreds of members in Melbourne and Sydney, and has since been involved in ongoing discussions with the Office for the Arts, the Screen Producers Association of Australia, the Independent Producers Initiative, AusFilm, and Screen Australia.

Convergence review

The Department of Broadband, Communications and the Digital Economy is conducting a review of the impact convergence will have on the communications and media regulatory environment.

Digital technology and the converging functions of television, mobile phones and the internet will impact upon a variety of areas of concern to our performer, crew and journalist members, including the viability of Australian content rules, local news content rules and cross media ownership.

Minister Conroy has established a Convergence Review Committee headed up by Screen Australia chair Glenn Boreham. The Alliance will conduct a campaign around the issue in coming months.



Artwork by Harry Afentoglou



communicating

The Media, Entertainment & Arts Alliance is a union of communicators. We inform and entertain the wider community in diverse ways, from journalism, to performance, to visual storytelling, to film projection.

A body as large and diverse as the Media, Entertainment & Arts Alliance could not function without a strong internal and external communications strategy. At the Alliance we rely on a range of traditional and new media tools to keep members and activists informed, to communicate with delegates, lobby government bodies and employers, engage in public campaigns, and inform and educate members about their industrial rights.

At the Alliance we publish three magazines: for crew, musicians and professional sportspeople; for performers; for journalists, cartoonists, photographers and other media workers. These magazines cater to our members across the union, and also function as recruiting tools targetting potential members and the broader public, with news, commentary, interviews and more and providing a window into life as a member of the Alliance.

We also rely on new communications tools, creating websites around campaigns, and pushing their content out across the web using social media which includes Twitter and Facebook.

Magazines

The Alliance publishes three magazines.

Our media section is served by *The Walkley Magazine*, which is published five times a year in conjunction with the professional journalistic arm of the Alliance, the Walkley Foundation.

The Walkley Magazine is the Australian and New Zealand media's ongoing conversation with itself. Distributed to journalists in both countries, it is written by journalists, for journalists. It is supported by contributions from members, and showcases the very finest that our journalists, cartoonists, illustrators and photographers have to offer.

Our performers are served by the *equity* magazine, a quarterly published in conjunction with the Equity Foundation. Aside from reporting on significant developments in the industry, *equity* has the important role of profiling members and spreading the word about their work, and providing a space for members to have their own stories and experiences published. The magazine plays a vital role in promoting Australian content and diversity in arts funding, as well as supporting key performer campaigns such as Save Spaces for Aussie Faces. The *Alliance* magazine is the quarterly for crew, musicians, professional sportspeople, and other entertainment workers. It keeps members up to date with the industrial issues that affect them, and brings them the industry news that they don't get elsewhere.

This image is from the series *Valley Nights*, a photographic documentary shot in Brisbane's notorious Fortitude Valley night spot by Young Walkley winner Harrison Saragossi. The photographs are a window into the realities of teen alcohol abuse and a stark portrait of the area's clubbing scene

Harrison Saragossi is a documentary photographer based in Brisbane, Queensland. In June 2011 he was awarded the Walkley Young Photographic Journalist of the Year



Cartoon by Jason Chatfield

The *Alliance* magazine also profiles our members, and supports union campaigns such as that of the Adelaide Symphony Orchestra to seek pay parity with their colleagues in Sydney and Melbourne.

Online

The Alliance communicates in various ways online, playing to the individual strengths of each medium in the way we share information and content.

E-Bulletins

We send out weekly e-bulletins tailored to all sections of the union. These are concise and text-based to avoid any compatibility issues, and also require very little bandwidth to load, making them accessible across platforms. Often these stories are designed to point members back to our websites, which are more information and content-rich. The weekly E-Bulletins include negotiation updates, information on our campaigns, and links to relevant news stories, as well as event listings and deals for our members, such as discounted ticket offers for films and conferences. The Media E-Bulletin supports the work of the Walkley Foundation, listing training opportunities and promoting the Walkley Awards for Excellence in Journalism.

Workplace bulletins

Workplace bulletins are a way of communicating with our members at specific workplaces or companies, where information is urgent and cannot wait for a weekly E-Bulletin. Email bulletins are sent from organisers or delegates to the communications team at the Federal Alliance office in Sydney for subbing and formatting, before being sent out by the membership office in Queensland.

The web

The Alliance is on the verge of launching its new website, which will take place after July. Our existing site has for some time been a portal to all of our industrial and professional activities, a source of news and information, and a key entry point for potential members, and this will not change with the upgrade. But the new site will be a more interactive experience than the current one, and will include a new, simplified membership system, as well as integrate elements of social media as a way of pushing union news and information out across the web.

Social media

The Alliance uses Facebook for specific campaigns, as well as maintaining a single Media, Entertainment & Arts Alliance Facebook page. We also have a Twitter channel which we use to spread the word about our campaigns, and to interact with and answer questions from our members.

The Alliance's Facebook and Twitter presences will be linked with the new website, driving audiences to the site.

Social media is also used to broadcast Walkley events in real time, and the 2010 Walkley Awards were live-tweeted by Media Alliance staff. The Walkley Media Conference was live-blogged.

Reports and research

On December 9, 2010, the Media Alliance launched *The Future of Journalism: Life in the Clickstream Vol. II* at a ceremony at Melbourne's Wheeler Centre. Federal secretary Christopher Warren was joined by 2010 Walkley Young Journalist of the Year Latika Bourke and Alliance media section president Peter Lewis to present the report on the state of the media in Australia.

For *Life in the Clickstream Vol. II*, the follow-up to our 2008 report, the Alliance commissioned two surveys from Essential Media Communications. The first was a survey of the general public, seeking to determine public perceptions of the news industry, looking at how and why people access news, their levels of trust in various platforms and their willingness to pay for news content online.

The second survey was on the perceptions of journalist members of the Alliance on their changing industry. It asked about working conditions, pay, levels of training and morale.

Life in the Clickstream Vol. II does two things: it publishes the findings of our surveys, and it explores the future of journalism – looking at how a flagging media can revive and reinvigorate itself, and ensuring its role as a pillar of governance is preserved and enhanced.

The Future of Journalism: Life in the Clickstream Vol. II can be viewed in full at www.thefutureofjournalism.org.au

Submissions

Working in the best interest of our industries, we made submissions to the following hearings and inquiries:

1. Department of Broadband, Communications and the Digital Economy Convergence Review Framing Paper, June 2011
2. Department of Immigration and Citizenship regarding the Simpler Visas Review: Making visitor visas simpler, Discussion Paper, May 2011
3. Office for the Arts 2010 Review of the Australian Independent Production Sector Report, March 2011
4. Joint letter to the Department of Foreign Affairs and Trade Trans-Pacific Partnership negotiating team, March 2011
5. Department of Immigration and Citizenship's Simpler Visas: Implementing a simpler framework for temporary residence work visas, Discussion Paper, February 2011
6. Department of Broadband, Communications and the Digital Economy, Convergence Review Draft Terms of Reference, January 2011
7. Screen Australia, Funding Australian Content on "Small Screens": A Draft Blueprint A Review of Screen Australia's role and objectives in television funding, January 2011
8. Letter to Barangaroo Delivery Authority regarding Barangaroo commercial theatre proposal, October 2010
9. NSW Children's Guardian Review of the Children and Young Persons (Care and Protection) (Child Employment) Regulation 2010, July 2010
10. Screen Australia re: Draft New International Co-Production Program Guidelines, July 2010
11. Department of Immigration and Citizenship Simpler regarding Simpler Visas: Creating a simpler framework for temporary and permanent entry to Australia, Discussion Paper, July 2010
12. Submission to Verve - Knowledge & Skills, National Dance Qualifications, July 2010



In 2010, acting veteran Bob Hornery, who has notched up hundreds of impressive stage and screen credits during his six decades in the business, was awarded the Equity Lifetime Achievement award, presented by Foxtel. Bob's extraordinary contribution to the industry was honoured at an award presentation ceremony the Malthouse Theatre in Melbourne

community building

The Media, Entertainment & Arts Alliance is a union that is all about community, and one of its key roles is to support our members as they build their own strong communities. This is increasingly important as we welcome into our union a growing number of freelance, casual and contingent workers, for whom staying connected with the opportunities and the direction of their industry is vital.

The Alliance builds communities in various ways. We hold professional development workshops that facilitate networking and upskilling. We hold peer-judged awards nights that allow the achievements and talent of our members to be recognised by their colleagues in the industry. We put out a variety of publications, and hold seminars and conferences which bring our community of members together around the issues and concerns affecting their industries.

We also reach out to a variety of other unions in Australia and the world.

The Equity Foundation

The Equity Foundation co-ordinates the Equity Professional Program, which in each of the past three years has hosted more than 60 events in Australia and New Zealand.

These events range from masterclasses and workshops to our graduates' program, an

expanded Equity Awards program, and intensive one-day seminars focussing on specific skills and performance areas. In most instances the program is oversubscribed and feedback is consistently positive and passionate.

The Foundation has worked to expand the breadth of its sponsorship program and has consolidated its existing program and attracted new sponsors. Continuing sponsors include Media Super, Showcast, Screen NSW and Arts NSW. We are currently in talks with FOXTEL to ensure we continue their successful sponsorship of the Lifetime Achievement Awards.

New sponsor, ABC TV, supported the inaugural Equity Awards which were launched in June 2011 with two awards:

- Best Ensemble for a Drama Series, which was won by *Rake* and;
- Best Ensemble for a Comedy Series, which was won by *The Librarians*.

The awards proved extremely popular with the membership and attempts are being made to ensure we maintain, increase and secure new sponsorship to build the awards each year. In 2011 the Foundation placed a strong focus on casting. Feedback from members had stressed



Nicole Nabout (*The Librarians*) and Caroline Brazier (*Rake*) at the 2011 Equity Awards. The casts of *Rake* and *The Librarians* were honoured for their ensemble work

Photo by Adam Hollingworth



The Autumn 2011 issue of equity magazine

the importance of ongoing training and assistance in the casting and screen testing process, plus the need for continual exposure to practice in front of the camera. To that end:

- Senior casting directors of Mullinars Casting Consultants in Melbourne travelled to Perth, Adelaide and Brisbane for Equity casting days. These involved members learning a three-minute TV/ film-focussed script and being “tested” by the casting directors and then given feedback and an opportunity to repeat their test. More casting sessions are planned for Sydney;
- In Melbourne, Glenda Linscott, Equity member and acting instructor, held two screen test masterclass in Melbourne;
- In NSW, National Performers’ Committee member Jonathan Mill and cameraman Bernard Purcell held a monthly “Shot Size” workshop, which gave actors experience in working in front of a camera;
- Equity member Pearl Tan travelled to each state to instruct members on how to use their own computers to film their own screen tests and submit them to casting directors and producers.

In 2011 we extended our four-hour masterclasses with theatre and film/TV directors into day-long seminars. Feedback from members had always been excellent – and always with a request that they be longer. We also held day-long masterclasses with directors such as Simon Stone (resident director of the Belvoir St Theatre), Jessica Hobson (director of *The Slap*, *Rake*, *Spirited*, *Tangle*), Nico Lathouris (writer, director, dramaturge), and Jean Pierre Mignon (theatre and television director). Our workshop series of two or three-hour practical workshops

continued nationally. Topics included: voiceovers, the US accent, how to get a television commercial, and breaking down the script. Equity member Queenie van de Zandt held a two-day long Career Strategy seminar, and we also continued our Musical Theatre theme with a day-long beginner’s class with Queenie and William Zappa.

NZ Equity

The New Zealand Equity branch has been one of the success stories of the past two years, and is close to reaching 400 members, making it the third-largest Equity branch in our union.

In 2010, NZ Equity launched its professional program and gained some financial support from Creative NZ. The branch continues to campaign for a standard contract for performers, against the scrapping of the TVNZ charter (which promotes local content), and for the application of regulation of imported artists according to NZ immigration law.

This strength was tested in a major dispute in September and October 2010 over a collective agreement for performers on *The Hobbit*. As a result of the dispute, New Zealand producers agreed to hold talks with Equity for agreed standard conditions. These are continuing.

The Media section is holding discussions with the New Zealand EPMU on ways of extending aspects of the Walkley professional program to New Zealand journalists and related media workers.

The NZ Equity program also continued with a series of masterclasses, workshops and forums focussing on theatre and musical theatre. We also held two actor discussions under the title *In Conversation*, with Sam Neill and Roy Billing.

Equity has secured funding from the New Zealand Film Commission for the last half of 2011 and into 2012, which will enable us to devise a more film-focussed program.



SBS reporter Yaara Bou Melhem (left) was named the 2011 Walkley Young Australian Journalist of the Year for *Freedom’s Call*, her investigation into the people’s democracy movement in Syria. *The Sunday Telegraph’s* Rosie Squires (right) was highly commended by the Walkley Board for her undercover investigation into Sydney nursing home practices

Photo by Adam Hollingworth

The Walkley Foundation

The Walkley Foundation has continued as the primary vehicle for our campaigns to raise the status of journalism.

The foundation undertakes six key activities:

- The Walkley Awards;
- The Walkley Magazine;
- Conventions and seminars;
- Student program;
- Press Freedom;
- Future of Journalism.

The Walkley Awards

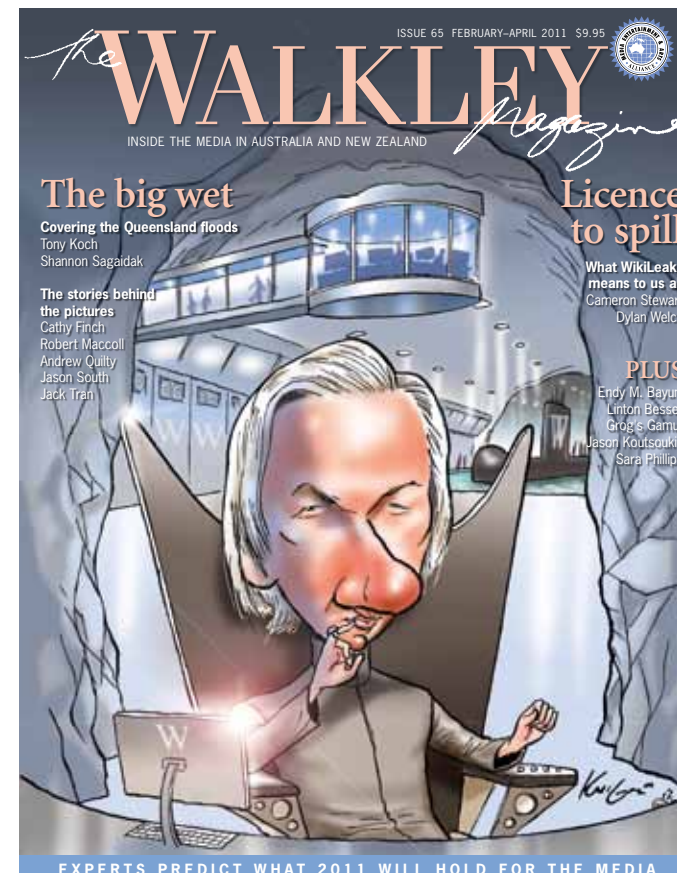
The 55th Annual Walkley Awards for Excellence in Journalism were presented in Melbourne on December 9, 2010, to coincide with the one hundredth anniversary of the founding of the Australian Journalists’ Association. This year’s awards will be presented in Brisbane on November 27.

The foundation helps to organise state-based journalism awards, including with judging and sponsorship through a Brisbane-based staff member who coordinates this work across the awards in Queensland, Northern NSW, south-east regional Australia, Tasmania, South Australia and Western Australia. In October, we will be relaunching the Northern Territory Awards.

In 2008, we launched the Walkley Young Journalist of the Year Awards. These are annual awards with five medium-specific categories and an overall Young Journalist of the Year.

The Walkley Magazine

The magazine continues to be published five times a year and has carved out a niche as the primary vehicle for internal discussion of



The February-April 2011 issue of *The Walkley Magazine*

media issues. The foundation is examining ways of securing increased funding for the magazine and building circulation outside the union.

Conventions and seminars

The foundation runs three key conventions – for freelancers, public affairs professionals and regional journalists. It also runs a range of seminars and conferences.

In 2010, it launched the Walkley Media Conference, which will be an annual conference focussing on journalism, narrative and innovation, and pulling together the greatest journalistic minds from Australia and around the world. The foundation has also started to roll out training programs in new media, including social media.

Student program

The foundation coordinates the student program, including Media Pass student days in each state and a student journalism prize.

Press freedom

The foundation coordinates the annual press freedom dinner in Sydney in April, and the Annual Press Freedom Report, in conjunction with the Media Alliance. In 2010, it conducted a parallel event in Brisbane to coincide with the UNESCO event in that city. In 2012, it plans to run a parallel event in Melbourne.

Future of Journalism

The Foundation has been coordinating the Future of Journalism project in conjunction with the Media Alliance. Its major work has been to hold seminars and workshops on the issue and coordinate training in new media skills for journalists.

IFJ Asia-Pacific Project Office

The IFJ Asia-Pacific project office, based in the Alliance’s Federal office in Redfern, operates as a regional hub for media rights monitoring, and supports and trains journalists’ organisations from Afghanistan across to the Pacific.

The IFJ employs staff on project work in Hong Kong, India, Pakistan and Pacific nations, as well as administering the Media Safety and Solidarity Fund, which comprises donations from Alliance and New Zealand Engineering, Printing and Manufacturing Union (EPMU) members.

The Asia-Pacific is regarded as one of the world’s most dangerous regions for journalists. Complex conflicts plague many countries in our region, and our colleagues often face extreme situations. In 2010, another horror year, 31 journalists and media workers were confirmed killed. In many Asia-Pacific nations a culture of impunity exists around the killing of media personnel. Much of the risk is linked to vulnerability exacerbated by economic exploitation, and censorship efforts from authorities remain a critical concern.

The need for upgraded support to media workers in Pakistan was proved quickly amid growing insecurity in 2010 and is being addressed by a new two-year European Union-supported project *Media for Democracy in Pakistan*. The project provides support to IFJ affiliate the Pakistan Federal Union of Journalists (PFUJ) in the form of an office and two staff, and has produced newsroom posters and brochures on safety and handling threats, which were printed and distributed in English and Urdu via district unions in June.

The IFJ secured an additional 12 months’ support for affiliate the National Union of Journalists of the Philippines (NUJP) to maintain its safety program following the 2009 Ampatuan Town massacre, in which 32 media workers were killed in a massacre of 58 people. The project helps maintain safety offices in Manila and Cagayan de Oro,

Mindanao Province and supports the rolling out of safety training with IFJ and ACTU trainers, and trauma counselling from the Dart Centre for Journalism and Trauma.

In Sri Lanka, the situation for trade unionists and press freedom defenders in Sri Lanka remains of concern. No killings have been reported since Prageeth Eknaligoda’s disappearance in 2010, but the situation remains tense and self-censorship is rife. A campaign of attacks against Tamil media has intensified, notably against *Lanka-e-News* and the daily *Uthayan*. The Alliance has pledged support for an annual commemoration lecture for Lasantha Wickrematunge, the former editor of *The Sunday Leader* newspaper who was murdered in January 2009, and federal secretary Christopher Warren delivered the inaugural lecture. The annual event aims to renew a national debate about press freedom and human rights in Sri Lanka.

Meanwhile, under the Alliance-supported project *Promoting Press Freedom in China*, which is now in its fourth year, the project continues to issue regular alerts, statements and bulletins on media rights issues in China and its territories. At the invitation of International Freedom of Expression Exchange (IFEX), China project coordinator Serenade Woo attended May 2011’s IFEX conference in Beirut, with Alliance support, to deliver a presentation on press freedom in China. The IFJ Asia-Pacific office was represented by director Jacqueline Park at the conference, and the Alliance was represented by federal secretary Christopher Warren.

The Media Safety and Solidarity Fund allows the IFJ to provide financial support and assistance to our colleagues overseas in times of crisis. This year it has helped us administer and manage financial support for programs in Nepal and the Philippines, providing education assistance for the children and families of journalists killed in those countries. The fund also has made emergency grants to assist journalists in need after natural disasters in Pakistan, New Zealand and Japan (see table).

The Media Safety and Solidarity Appeal

Alongside IFJ Asia-Pacific, the Media Safety and Solidarity Appeal raises money from among Alliance members to make direct grants to affected journalists and media workers and support important safety and solidarity work, such as the maintenance of a safety office in the Philippines.

The Appeal supports the education of the children of Nepalese journalists killed during the civil war and has funded the Philippines union scholarship program for about 40 children of journalists killed in that country.

The Media section is looking at making this Appeal a joint project with the New Zealand EPMU and as a first step have added the Chair of the EPMU Media Council, Brent Edwards, to the management committee.

We are working with the Walkley Foundation over ways to establish tax deductible status for the appeal.

PHILIPPINES

Media Safety and Solidarity has renewed its support for financial assistance to the families of all journalists killed in the Philippines, specifically to enable their children to receive a full year of education. To date, the number of children under this support program numbers 47. The IFJ Asia-Pacific with affiliate the National Union of Journalists of the Philippines (NUJP) led a Global Day of Action to mark the one-year anniversary of the Ampatuan Town Massacre on November 23, 2010.

NEPAL

Media Safety and Solidarity continues to support to support a long-term program in Nepal to fund the schooling and

educational needs of all children of killed journalists through to adulthood. As Nepal continues its transition to democracy since 2005’s violent coup, the fund now supports more than 75 children of journalists who have lost more than one of their parents.

NATURAL DISASTERS

The devastating floods that engulfed **Pakistan** in 2010 were a tragedy which had a colossal impact upon the country’s media community. Media Safety and Solidarity has allocated funds to support journalists who have lost their homes and livelihoods in the disaster. The fund has also committed to support journalists who have suffered as a result of the devastating February 22 Christchurch Earthquake in **New Zealand**, and the horrific earthquake and tsunami which hit **Japan** on March 11: support which will be delivered through IFJ affiliates in both countries.

The ASASA balance sheet as at June 30 2011:

Alliance Safety & Solidarity Fund		
	2011	2010
Balance at 1 July	389,837	368,563
Funds raised during the year	40,480	89,744
Payments made during the year	(43,331)	(68,470)
Balance at 30 June	386,986	389,837



Widows of the victims of the 2009 Ampatuan Town massacre in the Philippines protest at Manila’s Court of Appeals on March 23, 2011.

Photo by Nonoy Espina

The IFJ Asia-Pacific project *Media for Democracy and Human Rights in the Pacific*, has strengthened the role of media workers and press freedom advocates in defending and promoting human rights and fundamental freedoms in the region, and brings together an enduring coalition of organisations and individuals to promote these. It is supported by the European Union and UNESCO.

A series of trade union workshops in union leadership, organising and safety were conducted throughout the year in Indonesia, India, Malaysia, Nepal, Pakistan and the Philippines, with support from LO-TCO, the umbrella organisation for Swedish trade unions. A regional meeting of affiliates funded by LO-TCO will be held in early 2012. The IFJ will continue to strengthen its relationship with UNI Global Union at the 2012 meeting following successful collaboration at the 2010 meeting in Indonesia.

Affiliations

The Alliance has continued its affiliations with all state and territory Labor Councils and with the Australian Council of Trade Unions (ACTU).

The Alliance representatives on the ACTU Executive are Christopher Warren and Patricia Amphlett.

We are also affiliated internationally with the International Federation of Journalists, the International Federation of Actors (FIA) and UNI MEI (the global union for media, entertainment and arts), the International Freedom of Expression of Exchange (IFEX) and the International News Safety Institute. In August 2008 we also affiliated with the musicians’ international, FIM.

The congress of the IFJ was held in Cadiz in May, 2010. The Alliance was represented by Christopher Warren, Gina McColl,

Louise Connor and Mike Dobbie. At the Congress, Christopher Warren was re-elected to the IFJ Executive Committee with Louise Connor and Gina McColl elected as alternate representatives. Louise Connor attended the meeting of the Executive Committee held in Brussels in November last year and Christopher Warren attended the meeting in March 2011. Louise Connor is also representing the Alliance on the IFJ Constitutional Commission. The commission met in Brussels in June and will meet again at the end of 2011.

The Executive of FIA was held in Copenhagen in June 2010. The Alliance was represented by Simon Whipp, Patricia Amphlett and Simon Burke. The FIA Executive met in Sydney in April 2011.

The Executive of UNI MEI was held in Tokyo in November, 2010, and the UNI Asia Pacific Regional Organisation met in Manila in July, 2011. The Alliance was represented by Christopher Warren. The IFEX biennial meeting was held in Beirut in June 2011. The Alliance was represented by Christopher Warren.

The FIM orchestral conference was held in Amsterdam in March 2011. The Alliance was represented by Howard Manley, Simon Collins and Tania Hardy-Smith.

Alan Kennedy continues to represent the union on the Press Council. The Media NSC initially approved the appointment of Gerard Noonan as his alternate. However, he has since been appointed to the Council in his own right and the committee has appointed Jonathan Este as the alternate.

The Alliance is also affiliated with the Australian Copyright Council, Screen Council and the Australia’s Right to Know Coalition.

It is affiliated to the ALP in South Australia and NSW on behalf of its non-media members.



capacity building

The Alliance Membership Centre

Over the past 12 months, the Alliance Membership Centre has continued to be the main point of contact across all sections of the union, ensuring communications are prompt and accurate. In line with members’ increasing engagement with social media, we have made some important changes to our membership database, enabling us to record information on member Twitter feeds and their personal and professional websites. This lets us engage with members on many platforms, for union campaigns and member benefit offers. We are about to launch a new feature on our database called “Membership EMM”, which will record relationships between members, prospective members, professional program events and industrial campaigns. The program will sit on our Membership Central database and integrate with our current finance-reporting module. In June of this year, the new Gold and Platinum Equity Membership cards were delivered to members in their renewal kits. The cards are a clear demonstration of the longevity of someone’s Equity Membership: Gold is for 10-24 years,

Platinum for 25 years or more. The new cards were warmly received by members. The membership team continues to work closely with Alliance organisers to identify potential areas of recruitment, assist the Walkley and Equity Foundations with their professional programs and distribute information including special bulletins, professional publications and membership kits and renewals. Our professional association with the Department of Immigration and Citizenship in regard to union consultation for visa applications for overseas artists has strengthened our position in relation to the net employment benefit. The department again expressed its appreciation of the extensive investigations that the Alliance pursues to ensure that wages and conditions are met and that Australian performers and crew be engaged as part of a tour. In the next 12 months the membership team will continue to focus on our data quality, and on supporting internal and external staff in their recruitment, mapping, retention and negotiating campaigns.

Backstage at the Moulin Rouge: 20-year-old Christiaan Bettridge is one of the many Australians who got through a gruelling audition process to be whisked away to the other side of the world to live the Parisian dream.

Sandie Bertrand is a photographer the West Australian

Alliance membership

	Jun-10	Jun-11
Media	7,364	7,206
Equity	6,393	6,196
ATAEA	3,392	3,045
Musicians	830	788
TOTAL	17,979	17,235

Doing better with what we have

Activists
The Alliance has set itself the target of developing and mapping one activist for every 10 financial members, and of having at least half of these activists undergo some form of training.

Training
We continue to conduct activist training in most states, with a focus on collective agreement campaigning and member recruiting. Some branches, such as Victoria and Queensland, have structured this training around annual delegates’ days or weekends. In August 2009, we received a federal government grant under the Fair Work Education and Information Program to fund training in the new bargaining framework. However, restrictions on the application of the program meant that we were not able to use all of the grant when it wrapped up in March. We have applied for a further grant for training of staff in advanced organising skills.

Database
We have upgraded the membership system to integrate it with other Alliance activities, such as participation in Alliance events. We are also considering how to integrate the membership system and other contact databases, such as Outlook, and how to make the system more web-enabled.

Video-conferencing
Since 2008, the Alliance has had a video-conferencing facility linking our Sydney, Melbourne and Brisbane offices. This has improved communication between these three offices and enabled us to conference groups of members in the three states. We have started expanding our video conferencing capacity to include all offices (beginning with Perth), and will provide an interface with other video-conferencing set-ups and with Skype.

Staff
Communications and campaign unit
The Communications and Campaigns unit continues to:

- Improve our capacity to make regular media statements;
- Improve the mileage we get out of submissions to government;
- Generate content for our website;
- Produce Alliance magazines and other publications;
- Produce Alliance reports, such as the Press Freedom Report and the Future of Journalism Report;
- Help coordinate other campaigns including Save Spaces for Aussie Faces;
- Co-ordinate our regular E-Bulletins and assist in writing and editing workplace bulletins to ensure uniformity of style.

The unit has three journalists in Sydney.



Artwork by Joanne Brooker

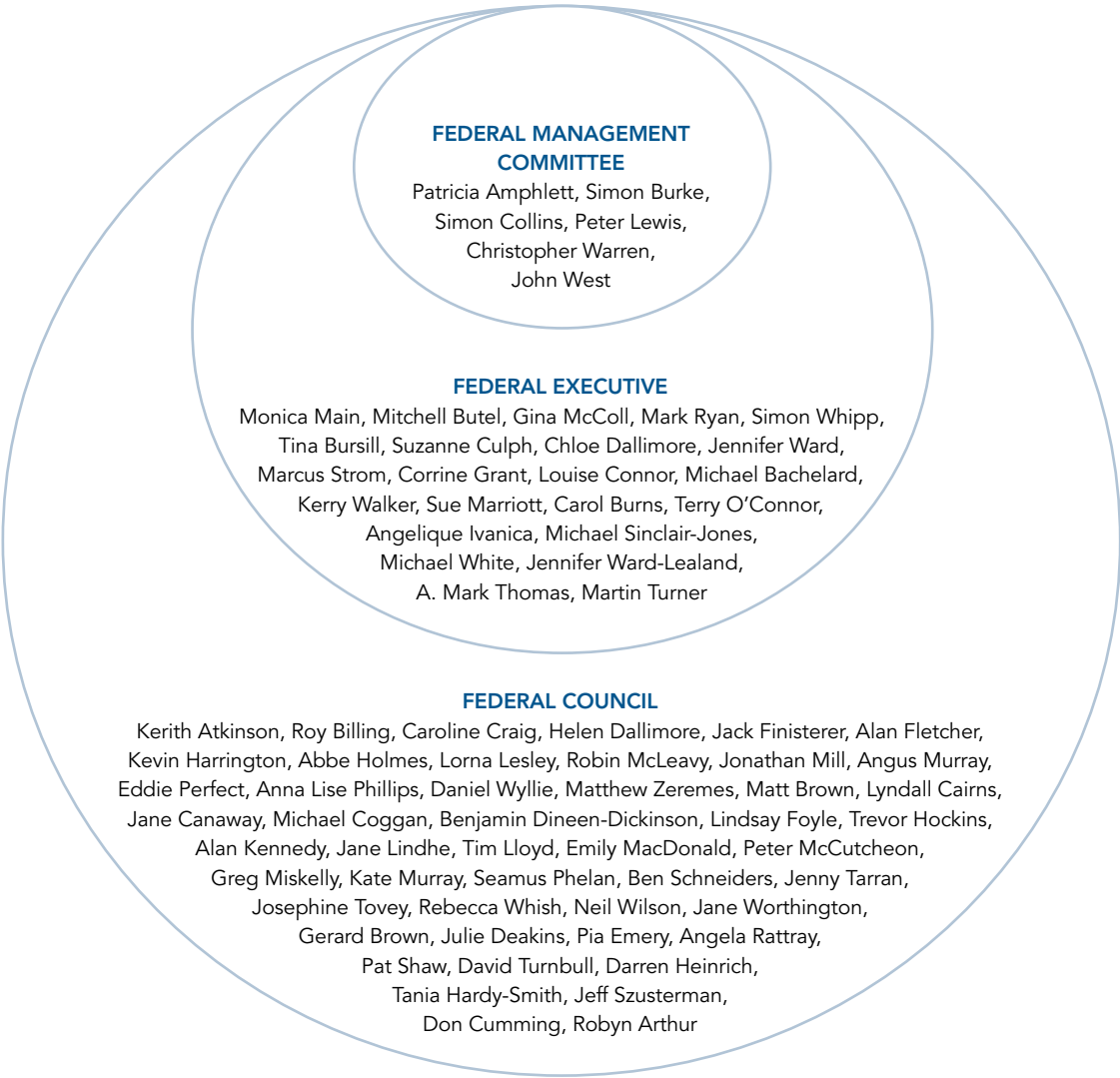


Cartoon by Pat Campbell

Training
The Alliance has continued its commitment to train staff and enable them to carry out the union’s goals. Currently, we are running training in technology and procedures and the new industrial relations laws. Assistance is being given to some staff to pursue further relevant tertiary training. The Alliance has continued its commitment to using the Organising Works program for inexperienced staff. This year, we have five Sydney-based organisers and one Melbourne-based organiser in the program.

Staff salaries and conditions
During 2007, the Alliance adopted a method of adjusting wages by tying them to movements in key benchmark Alliance collective agreements. This produced pay rises from July 1 last year and this year of 3.25 per cent, based on rises in the Fairfax collective agreement and the Motion Picture Production Agreement.

How the Alliance works



Fraud

In late May of this year, membership manager Melissa McAllister identified an alleged fraud in the membership section, as a result of unauthorised payments being made to a staff member's personal credit cards. The staff member was immediately dismissed and the matter has been referred to the police for investigation. We immediately blocked the capacity for any future such payments. Our auditors conducted a forensic audit to identify the extent of the fraud and to recommend changes to prevent recurrence. These recommendations are being implemented.

Elections

The Australian Electoral Commission conducted elections in 2010 for all honorary positions and for the positions of Federal Secretary, NSW Branch Secretary and SA-NT Branch Secretary. When nominations closed on October 5, all positions were unopposed other than the Federal Vice-Presidents, the New Zealand committee and the stunt committee. The results of the ballot were announced on November 24.

Alliance rules

Suspending and resigning membership

- It is the responsibility of Alliance members to advise the Alliance (in writing) if they cease seeking work in the industry and as soon as they get to work again.
- If an Alliance member leaves the industry permanently, they must notify the Alliance (in writing) and pay all outstanding dues.
- If an Alliance member is still working in the industry and wishes to resign they must notify in writing giving two weeks notice of intention to resign.
- Ceasing payroll deductions does not, of itself, constitute resignation from the Alliance.
- If membership is suspended, a member does not pay any fees but may return to active membership as soon as you return to work. You are not entitled to any benefits of membership while your membership is suspended.
- A member must be financial to resign

Payments

Copyright Agency Limited

The Alliance continues to cooperate with the Copyright Agency Limited (CAL) to deliver copyright royalties to journalists for photocopying. Malcolm Knox was re-elected as the Alliance representative on the CAL Board. The agency is implementing a new system of online rights management which would enable freelancers to receive the benefits of the exploitation of their work. We are working with CAL to ensure rights of journalists are respected and to promote the service among our members, particularly freelance members.

Residuals

The residual payment process continues to be improved, with the Alliance now distributing about 87 per cent of residuals monies received. We are considering how the Alliance can be more active in identifying residual obligations, rather than relying on the honesty of producers and distributors. From this year, we will incorporate a more detailed report in our annual report on residual payments that will show how much is received each year and how much is paid out, both in dollar terms and in numbers of recipients. As part of a review of our web presence, we are examining how we can include a search function for members wanting to know if they are entitled to residuals.

Claims

Until the end of July, we had two people working on our claims desk (one part-time). Due to costs, we have reduced this to a single person and are working to integrate the work more effectively with the inquiry desk to remove pressure on organisers in dealing with individual issues. In the last financial year, we recovered the following amounts for members:

	2010-2011	2009 – 2010
Equity	\$205,500	\$89,891
ATAEA	\$67,700	\$7,132
Media	\$418,257	\$66,475
Musicians	\$8,137	\$6,016
TOTAL	\$699,594	\$169,514

How Alliance funds are handled

The Alliance continues to ensure it has processes to ensure that union resources are used in a way that is transparent and accountable. We have zero tolerance for corruption or misuse of funds. Members have a right to be confident that the money they pay in membership fees is being spent appropriately. Like all unions, the Alliance operates under Australian law which provides for the tightest regulation of unions anywhere in the developed world. The law has a series of requirements about the rules of unions, to ensure democratic control of unions by members and financial accountability including annual independent audits. Despite recent publicity, there has not been evidence of any systematic abuse within the Australian trade union movement. The Alliance seeks to operate within both the letter and the spirit of these laws. Specifically, we have processes to ensure that members can retain their confidence in how we operate.

Audits and reports

Alliance finances are independently audited within four months of the end of each financial year. The audit report is published in this annual

report and made available before the end of November each year. In fact, the Alliance publishes to its members more detailed accounts than just about any other union. Some aspects of Alliance operations – such as payment to members of recovered payments – are subject to audit more frequently. Our finance section prepares regular reports throughout the year that enable the Federal Management Committee to review our income and our expenditure against our budgetary guidelines each month and each quarter.

Training, staff development and processes

To ensure we have the skills to properly manage our finances, our financial controller is a qualified chartered accountant. We are investing in training for our other senior finance staff to ensure they all have appropriate advanced accounting skills. To ensure our processes are the best possible, the Alliance is planning to benchmark its processes in the finance section against the International Standards Organisation.

Credit cards

Like most similar organisations, we use credit cards issued in the name of specific staff to pay for costs they necessarily incur in carrying out their duties for the Alliance. As an organisation, we will also use these cards to pay various bills, particularly online payments that require credit cards. There are many costs we incur that can only conveniently be paid with credit cards. Each month, each card-holder is required to explain any charges they have made on their card and provide appropriate documentation. These expenses are allocated against the appropriate budget line and authorised by two of the senior officers or staff. No person can be the sole person authorising their own expenditure. All our expenditure is, of course, subject to annual audit. Cards are not to be used for personal expenditure or for cash advances.

Board fees

Fees paid to Alliance employees (including employed officers) for sitting on boards or committees are remitted to the union. Specifically in relation to superannuation, we nominate two board members and one alternate board member to our industry fund, Media Super. The federal secretary is one of the two board members and our Victorian branch secretary, Louise Connor, is our alternate. All our fees (general board fees and sitting fees) are paid to the union. The policy of Media Super is to set board fees each year at the level of the bottom 10 per cent of industry funds to ensure we act as a low-cost fund. These are published in the fund's annual report. Our other nominee is not employed by the union and, as the time he spends on superannuation matters is time he cannot earn any other income, his fees are paid directly to him as compensation for time spent representing union members. No Alliance officers are currently members of any government appointed board that attracts remuneration other than reimbursement of expenses.

Third party contracts

The Alliance uses third party contractors for a range of services that cannot be provided in-house. These include auditing, legal costs, printing and publishing, technology support, phones and other communication. Significant one-off costs (such as building renovations) are tendered as they arise. Continuing relationships are reviewed at least every three or five years to determine if they should be put out to tender. Any decision is based on cost and quality. Conflicts of interest between contractors on the one hand and officers and staff of the Alliance on the other are avoided and there are no conflicts in any current relationships.

collective bargaining

Working in the arts and entertainment industries – whether it’s as a journalist, a jazz musician, an usher, a basketball player or an actor – often means unusual hours of work, non-traditional workplaces and short-term employment. One of the best ways to ensure power at work is through a

collective agreement. The Alliance fights hard to introduce collective agreements at every work place because they are the best, and often the only way, of protecting basic work conditions such as minimum hours of work, travel allowances and overtime

Journalism and media

Employer	Collective Agreement?	Wage rises	Expires
Metro Newspapers and related			
Fairfax metros	Yes	Cadet-G4: 7.95% over 3 years + 0.5 super 2013	30/06/14
		G4-G10(>150k): 9% over 3 years + 0.75 merit pool in 2013 + 0.5% super 2013	30/06/14
		G10 +(< 150k): 7.95% over 3 years + 1.75% merit pool in 2013 + 0.5% super 2013	30/06/14
Sydney Imaging	Yes	7.7% over 3 years	30/06/13
Fairfax Library Illawarra	Yes	7.64 % over 2 years	30/06/11
Fairfax Library Sydney	Yes	7.64% over 2 years	30/06/11
Fairfax Library Melbourne	Yes	7.64% over 2 years	30/08/11
News Ltd metros	Yes	10.87 % over 3 years	30/06/13
Canberra Times	Yes	12.55% + \$4000 over 3.75 years	30/06/14
West Australian Newspapers	Yes	10.3% over 3 years	30/06/14
Agricultural pubs [Rural]	Yes	6.9% over 3 years	30/06/12
AAP	Yes	10.35% over 3 years	30/06/14
Pagemasters	Yes		28/02/13
Magazines etc			
ACP	Yes	9% over 4 years	30/10/13
Pacific Publications	Yes	6.1% over 3 years	30/06/12
Reed Business Publications	Yes	Up to 11.7% over 3 years	31/12/10
Yaffa	Yes	7% over 3 years	30/06/12
Thomson Information Services	Yes	4% over 2 years	31/01/12
Special Publications	Award only		
Regional dailies			
APN Media [14 titles]	Yes	11.4% over 3 years	31/12/10
Rural Press [NSW and Mt Isa]	Yes	8.74% over 3 years	30/09/13
Wagga related non-dailies [Rural]	Yes	8.74% over 3 years	30/06/13
Albury [Fairfax]	Yes	7.5% over 3 years	30/12/11
Warrnambool [Fairfax]	Yes	5.06% over 2 years	30/06/11
Bendigo [Rural]	Yes		30/06/11
Ballarat [Rural]	Yes	6.9% over 3 years	20/11/12
Launceston [Rural]	Yes		31/10/11
Burnie [Rural]	Yes		31/10/11
News Ltd [3 Qld titles + Geelong]	Yes	10.37% over 3 years	30/06/13
Mildura	NUA		
Shepparton	NUA		
Broken Hill	Yes	Per CPI	Ongoing
Kalgoorlie [WAN]	Yes		30/11/10
Regional non-dailies			
Country Press [industry grouping]	Yes	9% over 3 years	31/03/14
Alice Springs, north Qld [News]	Yes	10.37% over 3 years	30/06/13
Suburban newspapers			
News Ltd (cumberland courier, quest, leader)	Yes	7.1% over 2 years	31/12/12
Community - WA	Yes	10.5% over 3 years	30/04/12
FCN - Queensland		11.5% over 3 years	31/03/11
FCN - NSW	Yes	8% over 3 years	30/09/12
FCN - Victoria	Yes	6.1% over 2 years	30/06/12

Employer	Collective Agreement?	Wage rises	Expires
Independents			
Star News Group (Vic)	Yes	9.28% over 3 years	30/06/14
Post newspapers (WA)	Yes		
ABC			
ABC	Yes	9.8% over 3 years (incl. 0.5% non cumulative pay)	30/06/13
SBS			
SBS	Yes	17.54 % over 3 years	28/11/11
Commercial television			
Ten Network	Yes	9% over 3 years	27/04/14
Seven network	Yes	9% over 3 years	30/06/13
Nine network	Award		
Prime	Award		
Southern Cross	Award		
NBN	Award		
Capital Canberra	Award		
WIN	Award		
Commercial radio	Award		
Racing and Wagering WA (RWWA)	Yes	9% over 3 years	June 2012
Pay television			
Pay television	Awards		
Australian Government			
Australian Government	Yes		
Qld Government			
Qld Government	Yes	12.5% over 3 years	31/07/12
Hansard			
Federal Parliament	Yes	13.8 over 3 years	30/06/11
NSW Parliament	Yes	12.48% over 3 years	30/06/11
WA Parliament	Yes	12.5% over 3 years	31/03/11
Public relations industry			
EMC	Yes	11.4% over 3 years	31/07/13
Book industry			
Lonely Planet	Yes		
Media monitors			
Media Monitors	Yes	9.8% over 3 year	03/05/13

Equity section agreements

wEmployer	Collective Agreement?	Wage rises	Expires
Audio visual production			
Actors Television Programs Agreement and ATRRA	Yes	3.5%	1/7/11
Actors Seven Network Television Programs Agreement and ASTRRA	Yes	3.5% for performers 3% for extras – 1 year agreement	31/12/11
Actors ABC Agreement	Yes		expired
Actors Feature Film Agreement	Yes		31/12/09
Offshore Television Repeats and Residuals Agreement	Yes	Per SAG increases	ongoing
Offshore Feature Film Agreement	Yes	Per SAG increases	ongoing
Advertising Voiceover	Yes	15% over 3 years	30/06/11
Offshore Commercials Agreement	Yes		terminated
AFTRS agreement	Yes		expired
RWWA Racing Radio 2009	Yes	12% over 3 years	31/12/2011
Live Performance			
Performers Collective Agreement 2011-2013	Yes	18% and 12% over three years	31/12/13
Opera Australia Certified Agreement	Yes	Under negotiation	
The Australian Ballet (Vic)	Yes	12% over 3 years	31/1/14
Sydney Dance Company	Yes	11.5% over 3 years	31/12/13
Chunky Move Dancers'	Yes	12% over 3 years	21/12/11
West Australian Ballet	Yes	5% over 2 years	31/12/11

ATAEA section agreements

Workplace / Section	Collective Agreement?	Wage rise	Date of expiry
Audiovisual			
Motion Picture Production Agreement	Yes	10% over 3 years	30/06 /13
Fox Agreement	Yes		
Screen Australia	Yes	9% over 3 years	30/06/14
Film Vic	Yes	3.25% per year over 3 years.	01/10/12
Australian Centre for Moving Image	Yes	3.25% pa	01/10/10
Theatre Workers – Arts Centres			
Adelaide Festival Centre	Yes	9% over 3 years	
Queensland Performing Arts Centre	Yes	12.5% over 3 years	31/08/11
Sydney Opera House	Yes	10.2% over 3 year	01/0/12
Victorian Arts Centre	Yes	3.25% pa plus 1% performance increase	22/12/12
Geelong Performing Arts Centre	Yes	7.5% p.a. for 3 years	30/9/2013
Sydney Convention and Exhibition Centre	Yes	10.5% over 3 years	25/11/11
Gold Coast Arts Centre	Yes		
Melbourne Exhibition and Convention Centre	Yes	3.75% per year over 3 years.	6/02/2012
Melbourne Recital Centre	Yes	3.25% per year over 3 years.	01/10/12
Theatre Workers			
Sydney Theatre Company	Yes	10% over 3 years	31/12/13
Belvoir St	Yes	9% over 3 years	01/06/14
City Recital Hall	Yes	15.4% over 3 years	30/06/14
State Theatre of SA	Yes		
Melbourne Theatre Company	Expired 2005 but non-registered agreement in place since		
Her Majesty's Theatre Melbourne	Yes	15.4% over 3 years	01/11/13
Marriners Theatre Melbourne	Yes	14.4% over 3 years	01/07/13
AEG Ogden (Perth)	Yes	Range from 7.5% to 21% for casual employees. CPI increases for permanent employees	01/06/2014
Orchestra Victoria	Yes	4% over 1 year	27/11/2011
Bytecrafft at Crown	Yes	3.25% per year over three years	01/10/12
Melb Symphony Orchestra	Yes	See notes	01/07/12
Ticketing and merchandise			
Ticketing Agencies	Award		
Ticketmaster 7 Pty Ltd	Award		
Bocs Ticketing (WA)	Yes		
Cinemas			
Birch Carroll & Coyle	Yes	10% over 3 years	19/12/12
Village	Yes	9% over 3 years	01/07/12
Greater Union	Yes	9.6% over 3 years	31/01/12
Palace Cinemas	No		
Hoyts	NUA		
Reading	NUA		
Wallis cinemas SA	Yes		
Independents	Award only		

Workplace / Section	Collective Agreement?	Wage rise	Date of expiry
Outdoors			
NSW			
SCG/SFS	Yes	8.25% over 3 years.	01/08/11
STC	Yes	14% -17% over 3 years.	01/03/13
AJC	Yes	12% over 3 years.	30/06/11
ACES	Yes	6% over 3 years.	01/12/12
Victoria	Yes		
MCG	Yes	10% over 3 years.	01/07/13
MOPT	Yes	4% 2009	
VRC	Yes	10.5% over 3 years.	31/07/13
Moonee Valley RC	Yes		
Cranbourne Turf Club	Yes	3% + 3%	
Hoban (Royal Show)	Yes	3.5% pa	01/09/12
Secure Parking (MCG)	Yes	3.9% pa	01/10/10
Sovereign Hill	Yes	2% + bonus	
Mornington, Pakenham & Yarra Valley Racing Clubs	Yes		
Etihad Stadium	Yes	4-5% pa depending on level	Oct 2011

Musician section agreements

SOMA	CA	Wage rises	Expires
Australian Opera and Ballet Orchestra	Yes	CPI 2.6% from January 2011	December 2011
Sydney Symphony Orchestra	Yes	CPI 2.8% from January 2011	December 2012
Melbourne Symphony Orchestra	Yes	CPI 3% from May 2011	April 2012
Queensland Orchestra	Yes	3% from 1 March 2011	December 2012
Adelaide Symphony Orchestra	Yes	2.9% from June 2011	September 2011
WA Symphony Orchestra	Yes	3.4% From July 2010	December 2010
Orchestra Victoria	Yes	CPI from 1 December 2011 ABS year to September 2011	September 2010
Tasmania Symphony Orchestra	Yes	3% increase to salaries from 1 May 2010	April 2011

Professional Sports agreements

Employer	Collective Agreement?	Wage rises	Expires
NBL Players	Yes	15% over 3 years on minimum player classification	01/07/13
NBL Referees	Yes	10.3% over 3 years	01/03/11

FINANCIAL REPORT

Continued tight control of costs and a rebound in income in the last quarter of the year resulted in a significant surplus which has enabled the union to continue to build our campaigns reserve. This reserve is now being used to grow the union through targeted recruitment. To achieve these targets, the reserve is funding a seven person growth team based in Sydney and Melbourne. As a result of the surplus, the Alliance has also further expanded the Fighting Fund. This was set up in 2008 to help members affected by industrial or other action and has now been built to over \$1.5 million. Our goal is to build this fund to \$10 million out of our annual surpluses. Due to the combined impact of job losses in the media and a soft economy, membership income was flat compared to the previous year, despite a CPI-linked fee rise. This was true across all sections and across most other sources of income. To keep costs within income, the Federal Executive imposed a strong discipline in March, including a staff freeze and tight control on all discretionary expenditure. As a result, staff costs were broadly in line with budget and other costs came in under budget. Nonetheless, staff remained the major cost for the Alliance. At the end of the financial year, the Alliance employed 71 staff either full-time or part-time. This was equivalent to 67.61 full time staff, up from 63.75 at the beginning of the year. Staff wages were adjusted during the year under a pay agreement that extends to staff rises that reflect the average rises under Alliance negotiated collective agreements. This involved a rise of 3.25 per cent on July 1, 2010. Salaries paid to officers and staff inclusive of superannuation fell into the following bands:

	Staff	Officers	2009-10
Under \$20,000	5	0	7
\$20,000-\$30,000	10	0	6
\$30,000-\$40,000	5	0	10
\$40,000-\$50,000	5	0	5
\$50,000-\$60,000	6	0	7
\$60,000-\$70,000	4	1	9
\$70,000-\$80,000	9	1	6
\$80,000-\$90,000	11	1	6
\$90,000-\$100,000	4	1	5
\$100,000-\$110,000	4	0	4
\$110,000-\$120,000	0	0	2
Over \$120,000	0	4	3
	63	8	70

The Alliance continued with its debt reduction strategy, with the goal of being debt free by 2013. The Alliance has set aside real cash provision for staff entitlements to annual leave, long service leave and other benefits. At the end of the financial year, we had set aside about \$800,000 against an entitlement of about \$1.1 million. We have also provided a special reserve of \$215,000 for unforeseeable costs that may arise due to, for example, serious illness for long term staff. We are continuing to pay down our mortgage. At the end of the financial year, there was about \$1 million owing underpinned by properties in Sydney, Melbourne and Adelaide with a book value of about \$5 million. This means that the union now only owes a proportion of the additional money it borrowed in 2006 to purchase our Melbourne property and we can expect that this will be paid off by 2013 as we are continuing to set aside 4 per cent of our fee income to pay down this debt. Our net assets are now \$6.34 million, on a turnover of about \$10.99 million. Most importantly, our working capital (the difference between current assets and current liabilities) is now about \$2.7 million. The Alliance has now exceeded its goal of having working capital of at least 20 per cent of turnover. As a result of publicity about expenditure practice of another union, the Alliance reviewed its processes to ensure all expenditure was appropriate. A report on this review is at page 19 of this report.

FEDERAL SECRETARY’S DECLARATION

The Federal Secretary of the Media Entertainment & Arts Alliance (the “Alliance”) declares that:

- The financial statements and notes, as set out on pages 24 to 34, are in accordance with the Workplace Relations Act and:
 - comply with Accounting Standards and the Workplace regulations; and
 - give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the Alliance.
- In the Federal Secretary’s opinion, there are reasonable grounds to believe that the Alliance will be able to pay its debts as and when they become due and payable.

Federal Secretary: Christopher Warren
Dated this 17 day of October 2011

	2011-2012 Budget \$	2010-2011 \$	2009-2010 \$	2008-2009 \$	2007-2008 \$	2006-2007 \$	2005-2006 \$	2004-2005 \$
Total income	10,527,000	10,991,799	10,480,906	11,039,723	10,706,162	9,913,677	9,010,401	7,655,953
Total costs	(10,491,080)	(10,226,481)	(9,143,369)	(10,230,635)	(9,931,254)	(9,470,269)	(8,753,424)	(7,394,694)
Surplus	35,920	765,318	1,337,537	809,088	774,908	443,408	256,977	261,259
Stability Reserve	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,017,514	958,496	725,237
Fighting Fund Reserve	1,500,000	1,288,099	1,024,801	554,617	254,905	0	0	0

FEDERAL SECRETARY’S REPORT 30 JUNE 2011

On 17 October 2011 the Committee of Management of the Media, Entertainment & Arts Alliance (the “Alliance”) passed the following resolution in relation to the general purpose financial statements (GPFS) of the reporting unit for the financial year ended 30 June 2011:

The Committee of Management declares in relation to the GPFS that in its opinion:

- the financial statements and notes comply with the Australian Accounting Standards;
- the financial statements and notes comply with the reporting guidelines of the Industrial Registrar for section 270 of the Registration and Accountability of Organisations (RAO) schedule
- the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- there are reasonable grounds to believe that the Alliance will be able to pay its debts as and when they become due and payable;
- during the financial year to which the GPFS relates and since the end of the year;
 - meetings of the committee of management were held in accordance with the rules of the organisation; and
 - the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
 - the financial records of the reporting unit have been kept and maintained in accordance with the RAO Regulations; and
 - the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- in relation to recovery of wages activity:
 - the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
 - the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
 - no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

Significant change in State of Affairs

There has been no significant change in the Alliance’s financial affairs or state of affairs during or since the end of the financial year.

Events After Balance Sheet Date

No matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Alliance, the results of those operations, or the state of affairs of the Alliance in future financial years.

For Committee of Management: Christopher Warren
Title of Office held: Federal Secretary
Dated this 17 day of October 2011

AUDITOR’S INDEPENDENCE DECLARATION

I am pleased to provide the following declaration of independence to the Federal Management Committee of Media, Entertainment & Arts Alliance. As lead audit principal for the audit of the financial statements of the Media, Entertainment & Arts Alliance for the financial year ended 30 June 2011, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- the auditor independence requirements in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours sincerely
CROWE HORWATH SYDNEY
LEAH RUSSELL
Principal
Dated this 17 day of October 2011

INDEPENDENT AUDITOR’S REPORT

Scope

The financial statements and the Federal Secretary’s responsibility
The financial statements comprise the Federal Secretary’s report, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, notes to the financial statements and the Federal Secretary’s Declaration for the Media, Entertainment & Arts Alliance (the “Alliance”) for the year ended 30 June 2011. The officers of the Alliance are responsible for the preparation and true and fair presentation of the financial statements in accordance with the Alliance and the Workplace Relations Act. This includes the responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the Alliance. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. We performed procedures to assess whether in all material respects the financial statements present fairly, in accordance with the Alliance’s Rules and Workplace Relations Act, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Alliance’s financial position, and of it’s performance as represented by the results of their operations and cash flows. We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the officers.

While we considered the effectiveness of management’s internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed the applicable independence requirements of Australian professional ethical pronouncements and the Workplace Relations Act. We confirm that the independence declaration required by the Australian professional ethical pronouncements and the Workplace Relations Act, provided to the Federal Management Committee of the Alliance on 17 October 2011, would be in the same terms if provided to the Federal Management Committee as at the date of this auditor’s report.

Audit Opinion

In our opinion, the financial statements of the Media, Entertainment & Arts Alliance is in accordance with the Workplace Relations Act, including:

- giving a true and fair view of the Alliance’s financial position as at 30 June 2011 and of their performance for the year ended on that date; and
- complying with Accounting Standards in Australia and the Workplace Relations Act.
- any other requirements imposed by these reporting Guidelines or Part 3 of Chapter 8 of the RAO schedule in relation to recovery of wages.
 - That the scope of the audit encompassed recovery of wages activity;
 - That the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the Industrial Registrar, including;
 - Any fees charged to or re-imbursements of expenses claimed from members and others for recovery of wages activity; and
 - Any donations or other contributions deducted from recovery money.

CROWE HORWATH SYDNEY
LEAH RUSSELL
Principal – Registered Company Auditor
Dated this 17 day of October 2011

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
REVENUE			
Revenue from ordinary activities	2	10,991,799	10,480,906
DIRECT COSTS			
Depreciation and amortisation	3	(198,205)	(335,609)
Finance costs	3	(116,999)	(156,994)
Employee costs		(6,190,008)	(5,423,658)
Site costs		(454,807)	(409,908)
Affiliation fees	3	(278,068)	(247,076)
Printing and postage		(195,466)	(211,641)
Telephone		(191,552)	(153,755)
Magazines		(455,536)	(390,565)
Repairs and maintenance		(445,077)	(346,029)
Travel		(248,846)	(232,579)
Events		(911,834)	(607,192)
Other expenses from ordinary activities		(540,083)	(628,363)
Total direct costs		(10,226,481)	(9,143,369)
Surplus		765,318	1,337,537
Other comprehensive income for the year		-	-
Total comprehensive income for the year		765,318	1,337,537

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	4,633,657	3,650,278
Trade and other receivables	6	540,250	1,032,472
Other current assets	7	167,380	115,256
Total current assets		5,341,287	4,798,006
Non-current assets			
Financial assets	8	16,180	16,180
Property, equipment and vehicles	9	4,735,529	4,786,781
Total non-current assets		4,751,709	4,802,961
TOTAL ASSETS		10,092,996	9,600,967
LIABILITIES			
Current liabilities			
Trade and other payables	10	763,824	901,769
Short-term borrowings	11	-	-
Provisions	12	1,090,824	916,535
Other current liabilities	13	778,943	679,062
Total current liabilities		2,633,591	2,497,366
Non-current liabilities			
Provisions	12	28,698	38,212
Long-term borrowings	11	1,091,173	1,491,173
Total non-current liabilities		1,119,871	1,529,385
TOTAL LIABILITIES		3,753,462	4,026,751
NET ASSETS		6,339,534	5,574,216
EQUITY			
Reserves		4,142,158	3,420,632
Retained earnings		2,197,376	2,153,584
TOTAL EQUITY		6,339,534	5,574,216

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	Stability Reserve \$	Fighting Fund \$	Equity Foundation Reserve \$	SOMA Reserve \$	Walkley Foundation Reserve \$	Western Australian Journalists Reserve \$	Campaign Reserve \$	Special Leave Reserve \$	Property and Mortgage Reserve \$	Retained Earnings \$	Total \$
2011											
Balance at 1 July 2010	1,000,000	1,024,801	384,808	20,429	373,511	630	401,453	215,000	-	2,153,584	5,574,216
Net surplus attributable to members of the entity	-	-	-	-	-	-	-	-	-	765,318	765,318
Transfers to and from reserves											
- Fighting Fund Reserve	-	263,298 (i)	-	-	-	-	-	-	-	(263,298)	-
- Equity Foundation Reserve	-	-	90,813	-	-	-	-	-	-	(90,813)	-
- SOMA Reserve	-	-	-	31,742	-	-	-	-	-	(31,742)	-
- Walkley Foundation Reserve	-	-	-	-	(113,697)	-	-	-	-	113,697	-
- Western Australian Journalists Reserve	-	-	-	-	-	(630)	-	-	-	630	-
- Campaign Reserve	-	-	-	-	-	-	300,000	-	-	(300,000)	-
- Special Leave Reserve	-	-	-	-	-	-	-	-	-	-	-
- Property Mortgage Reserve	-	-	-	-	-	-	-	-	150,000	(150,000)	-
Balance at 30 June 2011	1,000,000	1,288,099	475,621	52,171	259,814	-	701,453	215,000	150,000	2,197,376	6,339,534
Supported by separate bank account	1,108,822	597,569	102,746	-	102,746	-	-	215,000	-	-	2,126,883

(i) Refer note 15(h) for reconciliation of transfer to reserve

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Stability Reserve \$	Fighting Fund \$	Equity Foundation Reserve \$	SOMA Reserve \$	Walkley Foundation Reserve \$	Western Australian Journalists Reserve \$	Campaign Reserve \$	Special Leave Reserve \$	Retained Earnings \$	Total \$
2010										
Balance at 1 July 2009	1,000,000	554,617	375,234	20,429	432,723	42,919	201,453	-	1,609,304	4,236,679
Net surplus attributable to members of the entity	-	-	-	-	-	-	-	-	1,337,537	1,337,537
Transfers to and from reserves										
- Fighting Fund Reserve	-	470,184 (ii)	-	-	-	-	-	-	(470,184)	-
- Equity Foundation Reserve	-	-	9,574	-	-	-	-	-	(9,574)	-
- Walkley Foundation Reserve	-	-	-	-	(59,212)	-	-	-	59,212	-
- Western Australian Journalists Reserve	-	-	-	-	-	(42,289)	-	-	42,289	-
- Campaign Reserve	-	-	-	-	-	-	200,000	-	(200,000)	-
- Special Leave Reserve	-	-	-	-	-	-	-	215,000	(215,000)	-
Balance at 30 June 2010	1,000,000	1,024,801	384,808	20,429	373,511	630	401,453	215,000	2,153,584	5,574,216
Supported by separate bank account	1,048,687	564,990	-	-	-	-	-	-	-	1,613,677

(iii) Refer note 15(h) for reconciliation of transfer to reserve

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Cash flows from operating activities:			
Receipts from members and sponsors		12,119,535	10,943,844
Payments to suppliers and employees		(10,991,679)	(9,349,897)
Interest received		519,475	365,790
Finance costs		(116,999)	(156,994)
Net cash provided by operating activities	14	1,530,332	1,802,743
Cash flows from investing activities:			
Acquisition of property, equipment and vehicles	9	(146,953)	(29,625)
Proceeds from disposal of property, equipment and vehicles		-	44,045
Net cash provided by/(used in) investing activities		(146,953)	14,420
Cash flows from financing activities:			
Repayment of borrowings		(400,000)	(640,000)
Net cash used in financing activities		(400,000)	(640,000)
Net increase in cash held		983,379	1,177,163
Cash and cash equivalents at beginning of year		3,650,278	2,473,115
Cash and cash equivalents at end of financial year	5	4,633,657	3,650,278

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Media, Entertainment & Arts Alliance (the “Alliance”) is an entity created under the Workplace Relations Act, registered and domiciled in Australia.

The financial statements of the Alliance comply with the Australian equivalents to International Financial Reporting Standards (AIFRS) as they relate to a not-for-profit entity, and reduced disclosure regime.

The following is a summary of the material accounting policies adopted by the Media, Entertainment & Arts Alliance in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation
Reporting Basis and Conventions

The Media, Entertainment & Arts Alliance (the “Alliance”) has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Workplace Relations Act.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated. The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) Property, Equipment and Vehicles

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

Property

Freehold land and buildings are measured at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

In the opinion of the Federal Management Committee, the carrying value of land and buildings does not exceed recoverable amounts.

Equipment and Motor Vehicles

These are measured on the cost basis less depreciation and impairment losses. The carrying amount is reviewed annually by the Federal Management Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the depreciated replacement cost of the asset or net cash flows that will be received from the assets’ subsequent disposal.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Alliance 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:

Buildings	2.5%
Equipment and Motor Vehicles	10-30%
The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.	
Each asset class’s carrying amount is written down immediately to its recoverable amount if the class’s carrying amount is greater than its estimated recoverable amount.	

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(b) Impairment of Assets
At the end of each reporting period, the Alliance reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the statement of comprehensive income. Where the future economic benefits of the asset are not primarily dependent upon the asset’s ability to generate net cash inflows and when the Alliance would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of assets, the Alliance estimates the recoverable amount of the cash-generating unit to which the class of assets belong. Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(c) Financial Instruments
Initial recognition and measurement
Financial assets and financial liabilities are recognised when

the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

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. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

Available-for-sale financial assets

These include any financial assets not included in the above categories. They are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to the Statement of Comprehensive Income.

They are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets. Changes to fair value are taken directly to the Statement of Comprehensive Income.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

This is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm’s length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Alliance assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity 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 expire. 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.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(e) Employee Benefits

Provision is made for the Alliance’s liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(f) Provisions

These are recognised when the Alliance has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(g) Revenue

This is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Grant revenue is recognised in the statement of comprehensive income when it is expended. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the statement of financial position as a liability until such conditions are met or services provided. Donations are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the statement of financial position until expensed. Membership subscription income has been accounted for on a mix of cash and accruals basis. Membership subscriptions outstanding at balance sheet date have been brought to account as receivables where subscriptions are paid by the members’ employers through salary deductions. All other membership subscriptions due to be paid are recognised when received. Membership income is deemed earned in the year to which it relates. Membership subscriptions relating to the unexpired part of the membership year are deferred and recognised as income in the next financial year. Interest revenue is recognised when received. Dividend revenue is recognised when the right to receive a dividend has been established. All revenue is stated net of the amount of goods and services tax (GST).

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office or the New Zealand Inland Revenue. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Income Tax

The Alliance is an income tax exempt entity under item 1.7 section 50-5 of the Income Tax Assessment Act 1997.

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Alliance prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Borrowings

These are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. They are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses. They are classified as current liabilities unless the Alliance has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(l) Foreign Currency Transactions and Balances

The financial statements are presented in Australian dollars which is the Alliance’s functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

(m) Comparative Figures

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

(n) Critical accounting estimates and judgments

The Federal Management Committee evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Alliance.

Key estimates - Impairment

The Alliance assesses impairment at each reporting date by evaluating conditions specific to the Alliance that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. No impairment has been recognised.

2. REVENUE

	2011 \$	2010 \$
Operating activities		
- Subscriptions and fees	8,431,079	8,439,893
- Grants, sponsorships and events income	1,442,175	1,158,485
- Interest from financial institutions	519,475	365,790
- Rental income	94,340	88,582
- Sundry income	504,730	428,156
Total Revenue	10,991,799	10,480,906

3. SURPLUS FROM ORDINARY ACTIVITIES

Surplus from ordinary activities has been determined after charging the following:		
Finance costs		
- Financial institutions	116,999	156,994

Depreciation of non-current assets, including equipment and vehicles	46,167	182,280
Amortisation of non-current assets		
- leasehold improvements	152,038	153,329
	198,205	335,609

Remuneration of auditor		
Auditing the financial statements	54,000	54,000
Other services (taxation advice, review of Equity Trust payment runs)	38,700	31,250
	92,700	85,250

Affiliation fees		
- International	95,747	86,947
- Other	182,321	160,129
Total affiliation fees	278,068	247,076

Legal fees	49,516	144,411
Donations	(2,781)	1,865

Gain from disposal of property, equipment and vehicles	-	5,281
Honoraria	32,269	34,350
Rental expense on operating leases	119,468	110,091

Employee benefits to Elected Officials		
- salaries	695,593	667,669
- annual leave	116,470	96,584
- long service leave and severance pay	35,962	14,837
- superannuation	127,893	129,419
- benefits	5,963	5,145
Total Employee Benefits to Elected Officials	981,881	913,654

Employee benefits to Staff		
- salaries	3,610,047	3,151,579
- annual leave	340,509	345,503
- long service leave	76,561	51,184
- redundancies	53,417	12,068
- superannuation	498,153	456,138
- benefits	12,131	25,479
Total Employee Benefits to Staff	4,590,818	4,041,951

4. KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Key Management Personnel
Names and positions held of key management personnel in office at any time during the financial year are:

Key Management Personnel	Position
Christopher Warren	Federal Secretary
Mark Ryan	Elected Official
Simon Whipp	Elected Official

Persons holding the position of salaried elected officials of the Alliance at any time during the year were:
C Warren, S Whipp, M Ryan, S Culph, L Connor, A Ivanica, M Sinclair-Jones and M White.

4. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT)

(b) Key Management Personnel Compensation

	Salary \$	Superannuation \$	Short-term and Long-term benefits \$	Total \$
2011	276,832	57,849	41,879	376,560
2010	326,183	61,819	4,990	392,992

(c) Committee of Management
Each of the following persons was a member of the Committee of Management during the year:
C Warren, P Amphlett, S Burke, S

Collins, R Pollard (resigned 26 November 2010), P Lewis (appointed 26 November 2010), and J West.
Committee members have been in office since the start of the financial year to the

date of this report unless otherwise stated.
C Warren's remuneration is included in Note 4(b) above. All other members of the Committee of Management receive an honorarium – refer Note 3.

5. CASH AND CASH EQUIVALENTS

	2011 \$	2010 \$
Cash on hand	6,099	5,488
Cash at bank	4,627,558	3,644,790
	4,633,657	3,650,278
Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	4,633,657	3,650,278
	4,633,657	3,650,278

6. TRADE AND OTHER RECEIVABLES

CURRENT		
Membership debtors	51,781	47,450
Other debtors	488,469	985,022
	540,250	1,032,472
(a) Other debtors		
These amounts include a loan from a related party, Equity Trust	237,690	422,153

7. OTHER ASSETS

CURRENT		
Prepayments	160,527	109,970
Deposits refundable	1,802	1,802
Payroll clearing account	5,051	3,484
	167,380	115,256

8. FINANCIAL ASSETS

Available-for-sale Financial Assets comprise:		
Listed investments		
- shares - at fair value	1,037	1,037
- shares in listed trusts – at fair value	15,143	15,143
Total available-for-sale financial assets	16,180	16,180

9. PROPERTY, EQUIPMENT AND VEHICLES

LAND AND BUILDINGS		
Sydney - At cost	4,893,752	4,759,207
- Less accumulated depreciation	(1,809,368)	(1,703,888)
	3,084,384	3,055,319
Adelaide - At cost	204,628	204,628
- Less accumulated depreciation	(87,142)	(82,026)
	117,486	122,602
Melbourne - At cost	1,657,656	1,657,656
- Less accumulated depreciation	(187,658)	(146,216)
	1,469,998	1,511,440
EQUIPMENT AND VEHICLES		
- At cost	1,382,019	1,473,841
- Less accumulated depreciation	(1,318,358)	(1,376,421)
	63,661	97,420
Total property, equipment and vehicles	4,735,529	4,786,781

9. PROPERTY, EQUIPMENT AND VEHICLES (CONT)

(a) Movements in Carrying Amounts

	Land and buildings			Equipment and Motor Vehicle	Total
	Sydney \$	Adelaide \$	Melbourne \$	\$	\$
2011					
Balance at the beginning of year	3,055,319	122,602	1,511,440	97,420	4,786,781
Additions	134,545	-	-	12,408	146,953
Disposals	-	-	-	-	-
Depreciation expense	(105,480)	(5,116)	(41,442)	(46,167)	(198,205)
Carrying amount at the end of year	3,084,384	117,486	1,469,998	63,661	4,735,529

(b) Valuations of land and buildings

The Federal Management Committee has reviewed the book value of land and buildings and believes that the market value is substantially in excess of the book value.

The latest valuation of the Sydney property was performed by CB Richard Ellis on 10 August 2009, when the property was valued at \$4,600,000. At 30 June 2011, the Federal Management Committee has performed a valuation on the freehold land and buildings. The Federal Management Committee has reviewed the key assumptions adopted by the valuers in 2010 and do not believe there has been a significant change in the assumptions at 30 June 2011. The Federal Management Committee therefore believes the carrying value of the land correctly reflects the fair value less cost to sell at 30 June 2011.

The freehold land and building in Melbourne was independently valued on 15 April 2011 by CB Richard Ellis, when the property was valued at \$1,800,000. The valuation was based on vacant possession "as is". The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties.

The freehold land and building in Adelaide was independently valued on 30 June 2011 by CB Richard Ellis, when the property was valued at \$285,000. The valuation was based on vacant possession "as is". The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties.

(c) Non-current assets pledged as security

Refer to note 11 for information on non-current assets pledged as security.

10. TRADE AND OTHER PAYABLES

	2011 \$	2010 \$
CURRENT		
Unsecured liabilities		
Trade payables	249,474	209,256
Goods and services tax payable	118,775	113,609
Creditors and accruals	395,575	578,904
	763,824	901,769

(a) Included in creditors and accruals are the following:

Legal fees	116,382	132,384
Employee benefits to Office Holders and staff	29,103	14,022
	145,485	146,046

(b) Amounts not expected to be settled within the next 12 months

There are no amounts not expected to be settled within the next 12 months.

11. BORROWINGS

	2011 \$	2010 \$
CURRENT		
Secured liabilities		
Bank loans	-	-
NON-CURRENT		
Secured liabilities		
Bank loans	1,091,173	1,491,173

(a) Bank loans

The Alliance's bank loan facility is to 31 August 2012 with a facility limit of \$2,300,000.

(b) Assets pledged as security

The Bank has a fixed charge over all land and buildings owned by the Alliance in Sydney and Adelaide.

The carrying amounts of non-current assets pledged as security are:

First mortgage over freehold land and buildings	3,201,870	3,177,921
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12. PROVISIONS

	2011 \$	2010 \$
CURRENT		
Annual leave	506,154	423,241
Long service leave	517,333	426,924
Severance and other provisions	67,337	66,370
	1,090,824	916,535
NON-CURRENT		
Employee entitlements	28,698	38,212
Total officers employee entitlements	373,301	290,743
Total employee entitlements	746,221	664,004
	1,119,522	954,747

These entitlements are partly supported by funds of \$855,765 in a separate bank account

13. OTHER LIABILITIES

CURRENT		
Deferred membership income	16,351	30,821
Deferred other income	734,387	625,994
Other current liabilities	28,205	22,247
Total	778,943	679,062

Deferred other income includes funds raised and expended by the Alliance Safety & Solidarity Appeal Fund. The following is the movement in the Alliance Safety & Solidarity Appeal Fund during the year:

Balance as at 1 July	389,837	368,563
Funds raised during the year	40,480	89,744
Payments made during the year	(43,331)	(68,470)
Balance as at 30 June	386,986	389,837

These funds are invested in a separate bank account.

14. CASH FLOW INFORMATION

Reconciliation of cash flow from operations with surplus after nil income tax

Net surplus for the year	765,318	1,337,537
Non-cash flows in profit		
Distribution reinvested	-	(1,147)
Amortisation	152,038	153,329
Depreciation	46,167	182,280
(Gain)/loss on disposal of fixed assets	-	(5,281)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	492,222	(198,717)
(Increase) in other current assets	(52,124)	(7,683)
Increase/(decrease) in trade and other payables	(136,945)	87,741
Increase/ in other current liabilities	98,881	161,446
Increase/ in provisions	164,775	93,238
	1,530,332	1,802,743

15. RESERVES**(a) Stability Reserve**

The Stability Reserve was set up to advance the working capital of the Alliance and has been invested in a separate bank account.

(b) Equity Foundation Reserve

The Equity Foundation Reserve has been set up to advance the interests of the Equity Foundation.

(c) Symphony Orchestra Musicians' Association (SOMA)

The SOMA Reserve has been set

up to advance the interests of orchestral musicians.

(d) Walkley Foundation Reserve

The Walkley Foundation Reserve has been set up to advance the interests of the Walkley Foundation.

(e) Campaign Reserve

The Campaign Reserve has been set up to advance the interests of the members.

(f) Western Australian Journalists' Reserve

The Western Australia Journalists' Reserve was set up to advance the interests of journalist members in Western Australia.

(g) Fighting Fund Reserve

The Fighting Fund Reserve was set up to assist members undertaking action in support of Alliance objectives or other related activities in support of Alliance objectives.

15. RESERVES (CONT)

	2011 \$	2010 \$
Analysis of transfer to Fighting Fund Reserve		
Transferred from Alliance surplus	150,000	380,000
Interests received on Stability and Fighting Fund bank account balances	92,584	90,184
Sundry receipt	910	-
Donations received during the year	37,325	-
Donations paid during the year	(17,521)	-
Net transfer to reserve	263,298	470,184

(h) Special Leave Reserve

The Special Leave Reserve was set up to provide for unforeseen staff contingencies.

(i) Property and Mortgage Reserve

The Property Mortgage Reserve was set up to provide for unforeseen costs or obligations regarding the Alliance properties and mortgage bills.

16. CAPITAL AND LEASING COMMITMENTS**(a) Operating Lease Commitments**

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable - minimum lease payments		
- not later than 12 months	77,188	60,280
- between 12 months and 5 years	134,503	184,481
	211,691	244,761

The operating lease, which relates to the Brisbane office, will expire on 30 June 2014.

(b) Capital Expenditure Commitments

There are no material capital expenditure commitments as at 30 June 2011.

17. FINANCIAL RISK MANAGEMENT

	Note	2011 \$	2010 \$
Financial assets			
Cash and cash equivalents	5	4,633,657	3,650,278
Loans and receivables	6	540,250	1,032,472
Available-for-sale financial assets	8	16,180	16,180
Total financial assets		5,190,087	4,698,930
Financial liabilities			
Financial liabilities at amortised cost:			
- trade and other payables	10	763,824	901,769
- borrowings	11	1,091,173	1,491,173
Total financial liabilities		1,854,997	2,392,942

Net Fair Values

(i) For listed available-for-sale financial assets and financial assets at fair value through profit or loss the fair values have been based on closing quoted bid prices at the end of the reporting period. In determining the fair values of the unlisted available-for-sale financial assets, the Federal Management Committee has used inputs that are observable either directly (as prices) or indirectly (derived from prices).

18. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of RAO Schedule, as amended, the attention of members is drawn to the provisions of section 272(5) which read as follows:

- (1) A member of the Alliance, or a Registrar, may apply to the Alliance for specified prescribed information in relation to the Alliance, 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 Alliance.
- (3) The Alliance must comply with an application made under subsection (1).

19. MONIES HELD IN TRUST

At year end the Alliance was holding in trust an amount of \$5,019,139 (2010: \$6,082,818). This amount and the corresponding liability are not reflected in the statement of comprehensive income or the statement of financial position of the Alliance.

Residuals

Equity Trust is responsible for distributing residual fees (residuals), which are fees paid by distributors to the performers concerned. They are sometimes referred to as “royalties”, “repeats” or “second usage fees”. These fees are negotiated by the Alliance and paid to qualifying performers who work on film or TV productions, after the initial use or exploitation of these productions.

Equity Trust collects these fees on behalf of the performers and then calculates the residuals for each of them. These calculations are audited by the Alliance’s external auditors, prior to paying performers each quarter. On occasion, there are discrepancies relating to performers entitlement to residuals or the attributed portion and these need to be resolved before payments are made.

All residual fees received are banked in accounts specifically designated as trust accounts.

Equity Trust monitors exploitation or sales which may trigger residuals and contacts the producer and distributor when money is due from them. Producers and distributors are required to provide regular reports on all income they have received and residuals owing.

Equity Trust aims to pay out all residuals received, but some performers are difficult to trace.

The Alliance Rules provides for the use of those amounts that are not able to be distributed within six years of being received by Equity Trust; they may be applied by the Alliance for the interests of the general class of people for whom the money was received, that is, performers. If, after six years, if any member can assert a right to any money received, the Alliance

shall make good that money. Any net interest or related earnings for the interests may also be applied to the interests of performers.

Superannuation contributions

Equity Trust also negotiates, monitors and collects superannuation contributions on behalf of Australian performers working overseas and, in some cases within Australia where the Alliance has negotiated a superannuation contribution greater than the superannuation guarantee levy, and forwards their entitlement to Media Super.

Bonds

To safeguard the wages of performers and crew working on productions, Equity Trust may require a bond to be lodged by the producer. In such cases, Equity Trust releases the bond after the production has provided a certificate from its accountants, certifying that all performers’ and crews’ wages, including superannuation and annual leave, have been paid.

Assets and liabilities of the Equity Trust not recorded in the financial statements of the Alliance were:

	2011 \$	2010 \$
Current assets		
Cash and cash equivalents	5,019,139	6,082,818
Total current assets	5,019,139	6,082,818
Current liabilities		
Bonds received and owing	55,140	-
Owed to cast members (see below)	4,680,405	5,614,765
Owed to Alliance	237,694	422,153
Provision	45,900	45,900
Total current liabilities	5,019,139	6,082,818

OWED TO CAST MEMBERS – RECOVERY OF WAGES ACTIVITY

	2011 \$	No of Performers	2010 \$	No of performers
Total owed to cast members at 1 July	5,614,765		5,205,737	
Monies received in the year				
Residuals and claims received	6,556,959	14,269	9,862,932	9,584
Monies paid in the year				
Residuals and claims paid to performers	(6,711,416)	2,189	(8,498,003)	2,239
Payments made on behalf of performers to the Alliance:				
- Union fees deducted from residuals received on behalf of members, of which \$287,979 (2010: \$336,660) was paid to the Alliance as member income	(289,094)		(349,775)	
- Outstanding union subscriptions less than 12 months old deducted from residuals received on behalf of members and paid to the Alliance as member income	(184,112)		(156,271)	
- Outstanding union subscriptions more than 12 months old deducted from residuals received on behalf of members and paid to the Alliance as member income	(5,394)		-	
- Administration fees deducted from residuals received on behalf of non-members, of which \$245,109 (2010: \$340,589) was paid to the Alliance Equity Foundation	(251,303)		(339,855)	
Amount paid to Alliance Equity Foundation:				
- Portion of amounts not able to be distributed within six years transferred to Alliance Equity Foundation for the interests of performers	(50,000)		(110,000)	
Total owed to cast members at 30 June	4,680,405		5,614,765	
The total owed to cast members at 30 June includes undistributable amounts that are over six years old	1,256,000		1,022,328	
Interest received on recovered monies				
- Interest received on Equity Trust bank accounts, of which \$323,374 (2010: \$253,156) was transferred to the Alliance Equity Trust	354,091		235,132	
Costs of administration (these have been accounted for in Alliance operations)	306,850		260,656	

20. EVENTS AFTER THE BALANCE SHEET DATE

There have been no material events subsequent to balance date. The financial statements were authorised for issue on 17 October 2011 by the Federal Management Committee. The Committee has the right to amend the financial statements after they have been issued.

21. RELATED PARTY TRANSACTIONS

At reporting date there are some employees with balances of less than \$2,000 either receivable or payable due to salary packaging arrangements.

22. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets as at 30 June 2011, (30 June 2010: nil).

23. COMPANY DETAILS

The registered office and principal place of business of the Alliance is: 245 Chalmers Street, Redfern NSW 2012

DETAILED INCOME & EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

	Federal \$	NSW \$	Victoria \$	Queensland \$	SA \$	WA \$	Tasmania \$	ACT \$	SOMA \$	NZ \$	Imports \$	Campaigns & Origination \$	Membership \$	Equity desk \$	Finance & Administration \$	CORE INDUSTRIAL \$	Equity Trust \$	Equity Foundation \$	Walkley Foundation \$	01.07.10 to 30.06.11 TOTAL \$	Previous year 30.06.10 TOTAL \$
MEMBER INCOME																					
Equity	-	1,217,208	998,842	311,251	71,235	113,317	30,926	22,982	-	116,276	238,992	-	-	-	-	3,121,029	-	-	-	3,121,029	3,161,235
Journalists	-	1,597,012	923,569	506,549	234,010	316,461	115,129	204,226	-	-	-	-	-	-	-	3,896,956	-	-	-	3,896,956	3,905,784
Theatrical	-	437,691	343,328	75,225	70,323	36,912	11,813	14,731	-	-	79,057	-	-	-	-	1,069,080	-	-	-	1,069,080	1,045,170
Musicians	-	50,187	-	2,581	-	31,054	-	-	260,192	-	-	-	-	-	-	344,014	-	-	-	344,014	327,703
Collection costs	(588)	(34,453)	(22,866)	(7,554)	(3,606)	(6,098)	(1,123)	(2,786)	(837)	(102)	(3,380)	-	-	-	(7)	(83,400)	-	-	(13,511)	(96,911)	(86,343)
NET MEMBER INCOME	(588)	3,267,645	2,242,873	888,052	371,962	491,646	156,745	239,153	255,355	116,174	314,669	-	-	-	(7)	8,347,679	-	-	(13,511)	8,334,168	8,353,549
OTHER INCOME	106,827	36,004	18,700	35	-	(4,353)	-	-	10,061	292	-	208,894	-	-	514,596	408,032	514,596	159,947	1,342,519	2,425,094	1,954,277
TOTAL INCOME	106,239	3,303,649	2,261,573	888,087	371,962	487,293	156,745	239,153	265,416	116,466	314,669	31,572	-	-	208,887	8,755,711	514,596	159,947	1,329,008	10,759,262	10,307,826
Share of overheads	1,880,040	(2,181,940)	(1,089,240)	(417,120)	(180,960)	(226,740)	(57,120)	(119,640)	(53,640)	(64,920)	-	1,712,880	576,300	222,120	1,712,880	-	-	-	-	-	-
FUNDS AVAILABLE	1,986,279	1,121,689	1,172,333	470,967	191,002	260,553	99,625	119,513	215,776	51,546	314,669	1,921,767	576,300	222,120	1,921,767	8,755,711	514,596	159,947	1,329,008	10,759,262	10,307,826
COSTS																					
Staff	(1,068,224)	(256,403)	(548,026)	(256,483)	(156,772)	(210,691)	(60,889)	(95,074)	(106,809)	(62,672)	(4,179)	(1,058,874)	(467,354)	(225,450)	(717,176)	(5,295,076)	(233,616)	(107,716)	(553,599)	(6,190,007)	(5,423,660)
Site	(102,600)	(14,520)	(53,633)	(39,362)	(16,324)	(24,518)	(4,241)	(6,064)	(13,560)	(14,675)	-	(130,080)	(39,273)	(21,120)	(30,276)	(510,246)	(21,600)	(16,080)	(58,920)	(606,846)	(563,237)
Admin	(770,754)	(81,008)	(125,090)	(60,587)	(37,682)	(50,616)	(15,410)	(13,750)	(55,859)	(30,578)	-	(281,655)	(144,386)	(7,877)	(605,040)	(2,280,292)	(49,603)	(155,115)	(830,186)	(3,315,196)	(3,070,129)
Total costs	(1,941,578)	(351,931)	(726,749)	(356,432)	(210,778)	(285,825)	(80,540)	(114,888)	(176,228)	(107,925)	(4,179)	(1,470,609)	(651,013)	(254,447)	(1,352,492)	(8,085,614)	(304,819)	(278,911)	(1,442,705)	(9,057,026)	
OPERATING SURPLUS/(DEFICIT)	44,701	769,758	445,584	114,535	(19,776)	(25,272)	19,085	4,625	39,548	(56,379)	310,490	569,275	(74,713)	(32,327)	569,275	670,097	209,777	(118,964)	(113,697)	647,213	1,250,800
OTHER TRANSACTIONS																					
Donations received from Fighting Fund																37,325				37,325	5,002
Payments to striking Fairfax members																(17,521)				(17,521)	
Stability Reserve bank interest received																60,185				60,185	48,637
Fighting Fund bank interest received																32,399				32,399	22,813
Funds received from WA Journalists																5,717				5,717	10,285
																788,202	209,777	(118,964)	(113,697)	765,318	1,337,537
																630				630	42,289
																-				-	(215,000)
																-	(209,777)	209,777		-	-
TRANSFERS (TO)/ FROM RESERVES																					
Transfer from Western Australian Journalists' Reserve																					
Transfer to Special Leave Reserve																					
Transfer to Equity Foundation																					
Transfer to Symphony Orchestra Musicians' Association Reserve																					
Transfer to Fighting Fund Reserve																					
Transfer to Walkley Foundation Reserve																					
Transfer to Campaigns Reserve																					
Transfer to Equity Foundation																					
Transfer to Property and Mortgage Reserve																					
SURPLUS added to RETAINED EARNINGS																43,792				43,792	544,280