



FAIR WORK
COMMISSION

20 September 2013

Mr Gregory Smith
Secretary
Australian Federated Union of Locomotive Employees
PO Box 161
FORTITUDE VALLEY QLD 4006

Dear Mr Smith,

Re: Lodgement of Financial Statements and Accounts - Australian Federated Union of Locomotive Employees - for year ended 30 June 2012 (FR2012/442)

I refer to the above financial statements and accounts which were lodged with the Fair Work Commission on 3 January 2013. The final audited statements and the first meeting Statement by the Committee of Management were provided on 19 September 2013 and I note Ms Ryan's advice regarding the questions I raised in my email of 26 August 2013.

I have filed the documents but I wish to draw your attention to certain requirements in the *Fair Work (Registered Organisations) Act 2009* ('the Act') or Fair Work (Registered Organisations) Regulations 2009 or relevant Standards. I set these out in the table attached.

New Reporting Guidelines were issued by the General Manager of the Commission on 26 June 2013. These Guidelines replace the Guidelines previously issued in 2003, and apply to the financial year ending 30 June 2013. I recommend a careful reading of the new Guidelines as they contain additional requirements.

If you wish to discuss any aspect of the financial reporting requirements, please do not hesitate at any time to contact me on (02) 6723 7237.

Yours sincerely

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

cc. Mr Brian Kingston, Auditor

Table of particular provisions

Provision	What it says	Explanation
Regulation 159(b)	<p>“The following information is prescribed: The number of persons who were, at the end of the financial year to which the report relates, employees of the reporting unit, where the number of employees includes both full-time and part-time employees measured <u>on a full-time equivalent basis</u>”</p>	<p>This requirement of calculating and expressing employees as a FTE aims to standardise this information for comparison purposes. This is necessary where the number of employees includes part-time employees. E.g. if a part-timer reported works approx. 18 hours per week (where a full-timer works 36 hours per week), that employee would be calculated as 0.5.</p> <p>If the number of employees is simply reported numerically, as the organisation has done by reporting the number 3 full time and 1 part-time, it is not possible to ascertain what that number is as a full-time equivalent.</p>
S272(5)	<p>“A general purpose financial report prepared under section 253....must include a notice drawing attention to subsections (1),(2) and (3) of this section and setting out those subsections.”</p> <p>The <u>wording of section 272 to be included</u> is:</p> <p><i>“(1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application. (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit. (3) A reporting unit must comply with an application made under subsection (1)”</i></p>	<p>The reporting unit was reminded of this requirement in respect of the 2011 report.</p> <p>The Act makes section 272 a civil penalty provision which underscores its importance and it must in future be included.</p>
Australian Auditing Standard ASA 700 Paragraph 23(c)	<p>The standard states: “The introductory paragraph in the auditor’s report shall: (c) Identify the <u>title of each statement</u> that comprises the financial report</p>	<p>This is a fine detail that is from time to time overlooked by auditors and one for the auditor’s attention.</p> <p>In the 2012 report the auditor has identified by title only the Profit and Loss and Balance Sheet statements, omitting the Cash Flow and Changes in Equity Statements.</p>
Paragraphs 44,45 New Reporting Guidelines issued 26/6/13	<p>The auditor’s statement:</p> <p>a) must include a declaration that either: i. the auditor is an approved auditor; or ii. the auditor is a member of a firm where at least one member is an approved auditor; and</p> <p>b) must specify that the auditor: i. is a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the Institute of Public Accountants (formerly the National Institute of Accountants); and ii. holds a current Public Practice Certificate.</p>	<p>This provision makes explicit what has been an implicit assumption in the past that appointed auditors fall in any year into the category of currently approved auditors. With increased emphasis on auditors’ duties and standards, this provision will enhance reporting unit’s governance standards and make it easier for FWC records to be maintained up-to-date.</p> <p>This requirement, in its explicit form, takes effect for all reports prepared for years ending 30 June 2013 onwards.</p> <p>Your auditor has correctly declared he is an</p>

	45. The auditor's statement must include a declaration, that as part of the audit of the financial statement, they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.	approved auditor but to avoid doubt in the future he is required to make the specific statements prescribed.
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General Note on new Reporting Guidelines

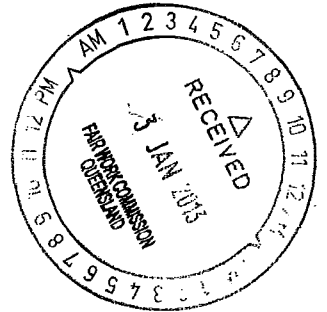
The new Reporting Guidelines set out a number of specific items for disclosure and go some way to making it a requirement to avoid doubt by making specific statements in relation to specifically prescribed items even where they have not occurred in any reporting period. [see paragraphs 14, 16, 18, 20, 22, 24, 26, 33, 38 attached]

ORGS



28 December 2012

General Manager
Fair Work Australia
PO Box 5713 Central Plaza
BRISBANE QLD 4001



Dear General Manager

In accordance with section 268 of *Fair Work (Registered Organisations) Act 2009*, please find attached by way of lodgement the following documents:

1. A designated officer's certificate
2. The Full Report

I trust that it meets the requirements of the Act and Regulations. If it is deficient in any way, please do not hesitate to contact Ms Charmaine Ryan of this office.

Yours sincerely

GREG SMITH
STATE SECRETARY

Suite 45 Level 8
269 Wickham Street
(PO Box 161)
FORTITUDE VALLEY Q 4006

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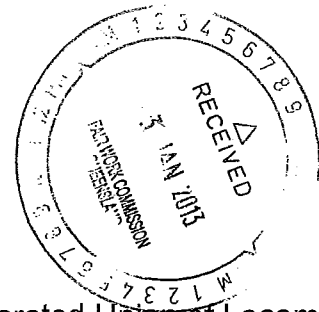
ABN: 60 694 355 298

TRAINCREW REPRESENTING TRAINCREW

28 December 2012

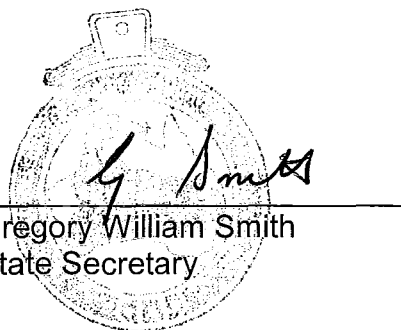


A.F.U.L.E.



DESIGNATED OFFICERS CERTIFICATE

I, Gregory William Smith, State Secretary of the Australian Federated Union of Locomotive Employees declare that the documents lodged as the full report for the year ended 30 June 2012 of the Australian Federated Union of Locomotive Employees are copies of the documents provided to members on 28 December 2012 via our website and presented to the Management of Committee (referred to in our rules as the 'Divisional Council') at our Divisional Council meeting held on 28 December 2012.



Gregory William Smith
State Secretary

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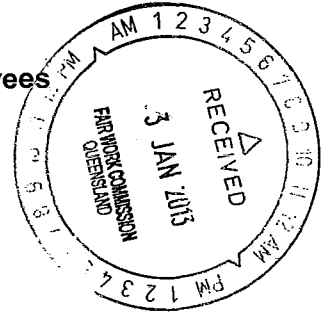
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TRAINCREW REPRESENTING TRAINCREW

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

General Purpose Operating Report for the year ended 30 June 2012

Australian Federated Union of Locomotive Employees



Operating Report

1 Principal activities, results and changes thereto of the Union

a. Principal activities

The principal activity of the Australian Federated Union of Locomotive Employees is operating as a registered organisation of employees, comprising persons employed in the train running grade in Queensland.

The Union gives this effect to this principal activity by:

- a. Advising members regarding their conditions of employment and rights and entitlement pursuant to the governing industrial relations regulation
- b. Advising members regarding their entitlements and obligations pursuant to the applicable occupational health and safety legislation and applicable workers' compensation legislation
- c. Representing members during bargaining for union collective agreements
- d. Advocating for improvements to industrial legislation, and legislation pertaining specifically to train running
- e. Representing members during workplace investigations and disciplinary hearings
- f. Representing members and the Union before industrial tribunals
- g. Having carriage of, and protecting, the rules of the Union
- h. Having carriage of the records and accounts of the Union

b. Results of the Principal Activities

The result of our principal activity is the industrial representation of persons employed in the train running grade in Queensland in respect of their rights and entitlements as employees. Specifically, our activities:

- a. Increased the membership of the organisation
- b. Educated members about their conditions of work and industrial rights and obligations
- c. Assisted to ensure that employers complying with the governing legislation in respect of members' rights and entitlements
- d. Assisted members to give full effect to their rights and entitlements
- e. Preserved and improved the conditions of work applying to members of the Union

c. Significant changes in the nature of the principal activities

There were no significant changes in the nature of these activities across the last financial year.

2. Significant Changes in the Financial Affairs of the Union

There were no significant changes in the financial affairs of the Union during the financial year.

3. Details of the right of members to resign from the Union pursuant to section 174 of the *Fair Work (Registered Organisations) Act 2009*.

Pursuant to section 174 of the *Fair Work (Registered Organisations) Act 2009* the right of members of the union to resign their membership is set out in Rule 6. Rule 6 provides:

- (1) *A member of the Union may resign from membership by written notice addressed and delivered to the State Secretary of the Union, or another officer authorised by the Union to receive such correspondence.*
 - (2) *A notice of resignation from membership of the Union takes effect:*
 - (a) *where the member ceases to be eligible to become a member of the Union:*
 - (i) *on the day on which the notice is received by the Union; or*
 - (ii) *on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member; whichever is later; or*
 - (b) *in any other case:*
 - (i) *at the end of 2 weeks after the notice is received by the Union; or*
 - (ii) *on the day specified in the notice; whichever is later.*
 - (3) *Any dues payable but not paid by a former member of the Union, in relation to a period before the member's resignation from the Union took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union.*
 - (4) *A notice delivered to the person(s) mentioned in subsection (1) is taken to have been received by the Union when it was delivered.*
 - (5) *A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with subsection (1).*
 - (6) *A resignation from membership of the Union is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.*
- 4. Details of any officer or member of the Union who is a trustee of a superannuation entity or an exempt public sector superannuation scheme, or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme, and where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.**

No officer or member of the Union falls within the category described above.

5. Any other information considered relevant by the Union

There is no other information that the Union considers are relevant.

6. Prescribed information pursuant to Regulation 159 of the *Fair Work (Registered Organisations) Regulations 2009*

- (a) *The number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the reporting unit under section 244 of the Fair Work (Registered Organisations) Act 2009*

At the end of the financial year, there were 1,592 members of the Union.

- (b) *The number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.*

At the end of the financial year there were three (3) full time employees and one (1) part time employee of the Union.

- (c) *The name of each person who has been a member of the Committee of Management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position.*

Members of the Committee of Management (Divisional Council) during the Financial Year	
Name	Period
Gregory William Smith	1 July 2011 – 30 June 2012
Shayne Anthony Ware	1 July 2011 – 30 June 2012
Glen Roland McGaw	1 July 2011 – 30 June 2012
Casey James Douce	1 July 2011 – 30 June 2012
Vacant	1 January 2011 – 30 June 2012
Warren Neville Hinds	1 July 2011 – 30 June 2012
John Anthony Pedersen	1 July 2011 – 30 June 2012
Darryl Irving Torrens	1 July 2011 – 30 June 2012
Wayne Kerry Robeck	1 July 2011 – 30 June 2012
Kevin Richard Voll	1 July 2011 – 30 June 2012



Gregory William Smith
State Secretary

Date: 28 December 2012

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**DIVISIONAL COUNCIL MEETING RESOLUTION**

**COMMITTEE OF MANAGEMENT –
STATEMENT OF RESOLUTION**

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) 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;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) 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
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- (f) in relation to recovery of wages activity:
 - (i) 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

- (ii) 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
- (iii) 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
- (iv) 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
- (v) 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.

MOVED BY *G. Smith*

CARRIED

SECONDED BY *John Wood*

Minutes of the July Meeting of the A.F.U.L.E. Divisional Council
Held 26 & 27 July 2012

BRIAN P. KINGSTON
Registered Company Auditor
A B N 31 544 245 595

ALL CORRESPONDENCE TO:
P.O. Box 1122,
Stanthorpe. Qld. 4380.

AUDIT REPORT TO THE MEMBERS OF
AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

The financial report and the committee's responsibility:

The general purpose financial report comprises of financial statements containing the profit and loss statement, balance sheet, and any other statements required by the Australian Accounting Standards (AAS) and notes required by the AAS and information required by the reporting Guidelines, such as the Committee of Management Statement for the period ended the 30th June, 2012.


The Committee is responsible for the preparation and true and fair presentation of the financial report. This includes 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 report.

My responsibility is to express an opinion on the general purpose financial report and the Committee of Management Statement based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement. An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. In conducting my audit, I have complied with the independence requirements of the Corporations Act 2001 and the Australian professional ethical pronouncements.

In my opinion, the general purpose financial report is presented fairly in accordance with AAS and the requirements imposed by Part 3 of Chapter 8 of the fair work (Registered Organisations) Act 2009.


Brian P. Kingston.
Reg.No.6101.

Dated this 21st day of December 2012.

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 2012

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and other mandatory professional reporting requirements.

The financial report is prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non – current assets. Cost is based on fair values of the consideration given in exchange of assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted in the preparation of the financial report.

(a) Inventories.

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

(b) Office furniture and equipment.

Plant and equipment are brought to account at cost, less where applicable, any accumulated depreciation. The carrying amount of office furniture and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts. The depreciable amount of all fixed assets are depreciated on a straight line or diminishing value basis over their useful lives commencing from the time the asset is held ready for use. The depreciation rate for each class of depreciable assets is based on the effective life of the particular asset.

(c) Employee entitlements.

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Contributions are made to an employee's superannuation fund and are charged as expenses when incurred.

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

Balance Sheet as at 30 June 2012

		30/06/2012	30/06/2011
		\$	\$
	<u>Note</u>	<u>2012</u>	<u>2011</u>
Accumulated Funds		993,049	982,585
Building Valuation 5/10/2011		203,313	203,313
		<u>1,196,362</u>	<u>1,185,898</u>
Represented by Net Assets as follows:			
Current Assets			
Cash at Bank - General	1	309,008	314,610
- Other Funds	2	3,862	9,690
Investments	3	656,698	629,118
Petty Cash		400	400
		<u>969,968</u>	<u>953,818</u>
Fixed Assets			
Building and Equipment	4	<u>394,405</u>	<u>391,468</u>
Total Assets		<u>1,364,373</u>	<u>1,345,286</u>
Less Current Liabilities			
Creditors		50,389	41,766
Officers Entitlements		109,628	110,870
Employees Entitlements		7,994	6,752
		<u>168,011</u>	<u>159,388</u>
Members Equity		<u>1,196,362</u>	<u>1,185,898</u>

To be read in conjunction with the Auditor's Report and the notes to the accounts.

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

Notes to and Forming Part of the Financial Account for year ended 30 June 2012

	<u>2012</u>	<u>2011</u>
	\$	\$
Note 1		
<u>Cash at Bank - General</u>		
ANZ Bank Account # 3677 63354	99,154	314,610
ANZ Term Deposit # 9691 20639	209,854	
	<u>309,008</u>	<u>314,610</u>
 Note 2		
<u>Cash at Bank - Other Funds</u>		
Macquarie CMT Legal A/C 119 250 751	194	509
Macquarie CMT Mortality A/C 119 250 769	3,668	7,421
Trust - Franking Credits	0	1,760
	<u>3,862</u>	<u>9,690</u>
 Note 3		
<u>Investments (at Market Value)</u>		
BT M Wrap Invest - General Fund M02 126 766	248,594	205,361
BT M Wrap Invest - Mortality Fund M02 126 862	139,818	116,646
Aust Unity (W) Mtge Trust - General 101 304 295	170,424	161,983
Aust Unity (W) Mtge Trust - Retire 101 304 311	102,756	97,666
Change in Value of Investment	- 4,894	47,462
	<u>656,698</u>	<u>629,118</u>

The following amounts are to be transferred from the ANZ General Account to:

Legal Account	6239	6239
Mortality	9359	9359

To be read in conjunction with the Auditor's Report and the notes to the accounts.

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

Notes to and Forming Part of the Financial Account for year ended 30 June 2012

	<u>2012</u>	<u>2011</u>
	\$	\$
Note 4		
Fixed Assets		
Unit 45/269 Wickham Street, Fortitude Valley at Valuation 5/10/11	171,687 <u>203,313</u> 375,000	171,687 <u>203,313</u> 375,000
Office Equipment		
Opening Value	41,552	39,910
Additions at Cost	5,411	2,629
Assets written off	<u>0</u>	<u>-987</u>
	46,963	41,552
Less Accumulated Depreciation	<u>- 31,453</u>	<u>-29,499</u>
	<u>15,510</u>	<u>12,053</u>
Office Furniture and Fittings		
Opening Value	23,648	23,648
Additions at Cost	<u>0</u>	<u>0</u>
	23,648	23,648
Less Accumulated Depreciation	<u>- 19,753</u>	<u>- 19,233</u>
	<u>3,895</u>	<u>4,415</u>
	<u><u>394,405</u></u>	<u><u>391,468</u></u>
Note 5		
ALP	0	0
QCU	9,256	17,439
Union Shopper	<u>3,927</u>	<u>3,310</u>
	<u>13,183</u>	<u>20,749</u>
Employees Remuneration		
Staff	422,419	372,413
Officers Remuneration		
4 Staff	246,689	198,070
14 Officers	175,730	174,343
Employees Superannuation		
Staff	57,226	44,308
Officers Superannuation		
4 Office Staff	34,041	26,904
14 Officers	23,185	17,404

To be read in conjunction with the Auditor's Report and the notes to the accounts.

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

Profit and Loss Appropriation Statement for the year ended 30 June 2012

	30/06/2012	30/06/2011
	\$	\$
Operating Surplus	17,913	16,590
Balance General Fund brought forward	982,585	972,827
Change in Value of Investments	- 7,449	-6,832
Accumulated Funds	<u>993,049</u>	<u>982,585</u>

To be read in conjunction with the Auditor's Report and the notes to the accounts.

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

Profit and Loss Statement for the year ended 30 June 2012

	30/06/2012	30/06/2011
	\$	\$
Income		
Membership Contribution	644,532	600,738
Levies - Mortality Fund	9,359	9,359
- Legal Contingency	6,239	6,239
- General Fund	6,239	6,239
Interest Earned	11,564	5,140
Trust Income	27,583	19,728
AFULE Apparel	<u>0</u>	<u>45</u>
Total Income	<u>705,516</u>	<u>647,488</u>
Total Expenditure	<u>687,603</u>	<u>630,898</u>
Surplus for year	<u><u>17,913</u></u>	<u><u>16,590</u></u>

To be read in conjunction with the auditor's report and the notes to the accounts.

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

Profit and Loss Statement for the year ended 30 June 2012

	<u>30/06/2012</u>	<u>30/06/2011</u>
	\$	\$
Expenditure		
Accountancy Fees	3,291	6,509
Affiliation Fees - QCU	9,256	17,439
Affiliation Fees - Union Shop	3,927	3,310
Affiliation Fees - ALP and ACTU	0	0
Audit Fees	3,400	0
Bank Charges	756	1,121
Body Corporate	8,331	9,664
Campaign	3,068	7,493
Cleaning	375	420
Commissions	0	3,276
Computer/Net exp & upgrades	8,902	7,168
Depreciation	4,150	6,994
Diaries, Badges and Logo Shirts	20,356	18,807
Divisional Council Expenses and Meetings	14,850	15,257
Donations	500	1,000
Electricity	1,390	1,609
Freight Paid	647	841
Functions	4,877	3,079
General Expenses	3,722	3,771
Income Protection	22,244	4,689
Insurance	1,382	1,341
Legal Expenses	13,825	14,748
Loss on Scrapping Assets	0	987
Mortality Payments	6,000	22,000
Postage	2,755	4,163
Printing and Stationery	9,608	8,752
Provision for Employee Entitlements	0	-9,363
Rates	3,120	3,894
Repairs	775	2,248
Salaries	422,419	372,413
Storage	3,109	3,031
Subscriptions	7,205	6,386
Superannuation	57,226	44,308
Telephone	19,272	20,716
Training	0	977
Travelling	25,842	21,090
Workers Compensation	1,023	760
	687,603	630,898

To be read in conjunction with the Auditor's Report and the notes to the accounts.

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

Statement of Cash Flows for year ended 30 June 20112

NOTES TO THE STATEMENT OF CASH FLOWS

	Note	2012	2011
Note 1 Reconciliation of Cash			
For the purpose of the statement of Cash Flows, cash includes cash on hand and in Banks and investments in money market instruments. Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the financial statements as follows;			
Cash on Hand		400	400
ANZ - Cheque Account		99,154	314,610
ANZ - Term Deposit		209,854	
Macquarie CMT			
- Legal Account		194	509
- Mortality Account		3,668	7,421
		<u>313,270</u>	<u>322,940</u>
Note 2 Reconciliation of Net Cash Provided by Operating Activities to Operating Surplus			
Operating Surplus for year		17,913	16,590
Non Cash Flows from Ordinary Activities			
- Depreciation		4,150	6,994
- Dividend Re Investment	-	27,583	-19,729
Changes in Assets and Liabilities, net of the effects of purchases and disposals:			
- (Increase) Decrease in Investments	-	12,773	-19,256
- Increase (Decrease) in Creditors		8,623	13,071
- Increase (Decrease) Long Service Leave		0	9,363
Net Cash Flows from/(used in) operating activities	-	<u>9,670</u>	<u>7,033</u>

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES**STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2012**

	Note	2012	2011
CASH FLOWS FROM - OPERATING ACTIVITIES			
Revenue from Members		666,369	642,348
Investment Income		11,564	5,140
Payments to Suppliers and Employees	-	687,603	-640,455
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>-9,670</u>	<u>7,033</u>
CASH FLOWS FROM - INVESTING ACTIVITIES			
(Increase) Decrease in Investments			
NET CASH USED IN INVESTING ACTIVITIES		<u>0</u>	<u>0</u>
Net Increase (Decrease) in Cash Held		<u>-9,670</u>	<u>7,033</u>
Cash at Beginning of Year		322,940	315,907
Cash at end of year		<u>313,270</u>	<u>322,940</u>

Attachments: [REDACTED]

From: KELLETT, Stephen
Sent: Monday, 26 August 2013 11:22 AM
To: 'charmaine@afule.org.au'
Subject: Financial report for y/e 30 June 2012 - for attention Ms Charmaine Ryan, Mr Greg Smith

Dear Ms Ryan

Further to my telephone call today, I write to seek clarification and the Union's comments in relation to some questions that arise from the financial report for the year end 30 June 2012. I attach relevant pages from the 2012 financial report and, for your convenient comparison, from the 2011 financial report.

I do apologise for the delay by the Fair Work Commission in examining this report, a delay due largely to the very busy legislative environment in which the Regulatory Compliance Branch of the Commission has had to operate.

Apparent discrepancies in statements

I draw your attention to some apparent material discrepancies in the 2012 statements:

- (i) The Balance Sheet shows an Accumulated Funds total of \$1,193,497 compared to the P&L Appropriation Accumulated Funds figure of \$1,208,456.
- (ii) At Note 1 to the Statement of Cash Flows the Cash Reconciliation total of \$622,278 does not appear consistent with the cash on hand and Account balances itemised (totalling \$312,870)
- (iii) On the Balance sheet, the Note cross-reference to Note 1 indicates a figure for the Cash at Bank-General of \$312,677, which does not correspond to the amount of \$312,870 (already mentioned above) or the figure for Cash at Bank-General of \$309,008 at Note 1.
- (iv) On the Balance sheet, the Note cross-reference to Notes 2 and 3 indicate no balances for "Debtors" and "Funds on Deposit" which does not correspond to the balances at Note 2.
- (v) On the Balance sheet, the Note cross-reference to Note 5 in relation to the Fixed Assets does not correspond to the actual Note 5 dealing with affiliation expenses, and the balance of \$5,411 for "Office Furniture and Equipment" – cross-referenced to Note "6" appears to be only part of the total balance for this category, the other part being \$4,416 for "Office Furniture and Fittings", disclosed at Note 4.
- (vi) The cross-references to Notes on the Balance sheet appear to be errors.

Committee of Management Statement and Audit

In addition, I note that in his auditor's report, the Auditor stated, at the third paragraph: *"My responsibility is to express an opinion on the general purpose financial report and the Committee of Management Statement based on my audit."* I note however that the audit report is dated 22 December 2012, 6 days prior to the date that appears on the Committee of Management Statement, i.e. 28 December 2012. This immediately raises the question whether the auditor could have had regard to the Committee of Management

Statement for his audit.

Moreover, the statement in the “Designated Officer’s Certificate” that the report was presented to the Committee of management on 28 December 2012 raises the question whether the Union delayed signing its Committee of Management Statement through a misunderstanding of the proper sequence of meetings contemplated by the *Fair Work(Registered Organisations) Act 2009*.

Basis of query

The apparent discrepancies I have identified in the 2012 figures do not appear to be mirrored in the corresponding figures for 2011. Nor does the dating of the Auditor’s report prior to the signing of the Committee of Management Statement appear to have occurred in 2011 or for previous years that I have been able to identify.

Note 3 to section 253 of the Fair Work (Registered Organisations) Act 2009 provides “*If the financial statements and notes prepared in compliance with the Australian Accounting Standards would not give a true and fair view, additional information must be included in the notes to the financial statements under paragraph (2)(b).*”

The issue goes to financial reporting accuracy and transparency for members. If there are errors in the report or mis-statements, however inadvertent, the compliance of the report with the Act for the purposes of the Act is compromised. Moreover, any errors in a report for a year will have impact on the accuracy and consistency of subsequent reports.

I therefore seek the union’s advice that may clarify whether the apparent discrepancies I have identified are correct and whether errors in the finalisation of the statements has occurred or whether the differences can be explained or reconciled and such explanation.

I also seek advice why the auditor’s report was dated prior to the Committee of Management Statement, and whether the financial statements were prepared and endorsed by the Committee prior to the audit report, and if so, why the Union signed the Committee of Management Statement on 28 December.

You may have additional comments you believe are relevant to the 2012 report and I would appreciate any advice that assists our assessment of the report. Please feel welcome to telephone me to discuss the issues and to clarify the various requirements.

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6723 7237
(email) stephen.kellett@fwc.gov.au

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

Committee of Management Statement for the year ended 30 June 2012

COMMITTEE OF MANAGEMENT STATEMENT

On 28 December 2012, the Committee of Management of the Australian Federated Union of Locomotive Employees passed the following resolution in relation to the general purpose operating report for the financial year ended 30 June 2012;


- a) The financial statements and notes comply with the Australian Accounting Standards;
- b) The financial statements and notes comply with the reporting guidelines of the General Manager of FWA;
- c) 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;
- d) There are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- e) During the financial year to which the GPFR relates and since the end of that year;
 - I. Meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - II. The financial affairs of the reporting unit have been managed in accordance with the rules of the organization including the rules of a branch concerned; and
 - III. The financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - IV. Where the organization consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organization; and
 - V. The information sought in any request of a member of the reporting unit or a Register duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or Registrar; and
 - VI. There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.
- VII. There was no recovery of wages activity for the financial year ended 30 June 2012.

Moved:



Gregory Smith
State Secretary
Date: 28 December 2012

Seconded:




Shayne Ware
State President
Date: 28 December 2012

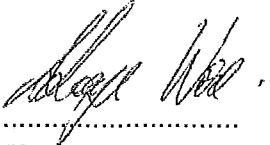
Having viewed the General Purpose Financial Report of the Australian Federated Union of Locomotive Employees for the financial year ending 2012 it is moved that:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager FWA;
- (c) 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;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) 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
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- (f) in relation to recovery of wages activity:
 - (i) 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
 - (ii) 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
 - (iii) 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
 - (iv) 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

- (v) 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.

Moved: 
Gregory Smith
State Secretary
Date: 28 December 2012

Seconded: 
Shayne Ware
State President
Date: 28 December 2012

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

Statement of Cash Flows for year ended 30 June 2012

NOTES TO THE STATEMENT OF CASH FLOWS

	Note	2012	2011
Note 1 Reconciliation of Cash			
For the purpose of the statement of Cash Flows, cash includes cash on hand and in Banks and investments in money market instruments. Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the financial statements as follows;			
Cash on Hand		400	400
ANZ - Cheque Account	1	99,154	314,610
Anz - Term Deposit		209,854	
		<u>309,008</u>	
Macquarie CMT			
- Legal Account		194	509
- Mortality Account		3,668	7,421
		<u>622,278</u>	<u>322,940</u>
Note 2 Reconciliation of Net Cash Provided by Operating Activities to Operating Surplus			
Operating Surplus for year		35,149	16,590
Non Cash Flows from Ordinary Activities			
- Depreciation		4,150	6,994
- Dividend Re Investment		-12,591	-19,729
Changes in Assets and Liabilities, net of the effects of purchases and disposals:			
- (Increase) Decrease in Investments		-4,405	-19,256
- Increase (Decrease) in Creditors		8,623	13,071
- Increase (Decrease) Long Service Leave		0	9,363
Net Cash Flows from/(used in) operating activities		<u>30,926</u>	<u>7,033</u>

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 20112

	Note	2012	2011
CASH FLOWS FROM - OPERATING ACTIVITIES			
Revenue from Members		711,222	642,348
Investment Income		11,530	5,140
Payments to Suppliers and Employees		-687,603	-640,455
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>35,149</u>	<u>7,033</u>
CASH FLOWS FROM - INVESTING ACTIVITIES			
(Increase) Decrease in Investments			
NET CASH USED IN INVESTING ACTIVITIES		<u>0</u>	<u>0</u>
Net Increase (Decrease) in Cash Held		<u>35,149</u>	<u>3,957</u>
Cash at Beginning of Year		313,077	315,907
Cash at end of year		<u>348,226</u>	<u>322,940</u>

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

Balance Sheet as at 30 June 2012

		30/06/2012	30/06/2011
		\$	\$
	<u>Note</u>	<u>2012</u>	<u>2011</u>
Accumulated Funds		<u>990,184</u>	<u>982,585</u>
Building Valuation 5/10/11		<u>203,313</u>	<u>203,313</u>
		<u>1,193,497</u>	<u>1,185,898</u>
Represented by Net Assets as follows:			
Current Assets			
Cash at Bank - General	1	312,677	314,610
Debtors	2	-	1,760
Funds on Deposit	3	-	7,930
Investment at Market Value	4	680,441	629,118
Petty Cash		<u>400</u>	<u>400</u>
		<u>993,518</u>	<u>953,818</u>
Fixed Assets			
Unit 45 / 269 Wickham Street Fortitude Valley			
At valuation 5/10/11	5	375,000	375,000
Office Furniture and Equipment	6	5,411	16,468
		<u>380,411</u>	<u>391,468</u>
Total Assets		<u>1,373,929</u>	<u>1,345,286</u>
Less Current Liabilities			
Creditors		50,389	41,766
Officers Entitlements		109,628	110,870
Employees Entitlements		<u>7,994</u>	<u>6,752</u>
		<u>168,011</u>	<u>159,388</u>
Members Equity		<u>1,193,497</u>	<u>1,185,898</u>

To be read in conjunction with the Auditor's Report and the notes to the accounts.

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

Notes to and Forming Part of the Financial Account for year ended 30 June 2012

	<u>2012</u>	<u>2011</u>
	\$	\$
Note 1		
<u>Cash at Bank - General</u>		
ANZ Bank Account # 3677 63354	99,154	314,610
ANZ Term Deposit # 9691 20639	209,854	0
	309,008	314,610
 Note 2		
<u>Cash at Bank - Other Funds</u>		
Macquarie CMT Legal A/C 119 250 751	194	509
Macquarie CMT Mortality A/C 119 250 769	3,668	7,421
Trust - Franking Credits	0	1,760
	3,862	9,690
 Note 3		
<u>Investments (at Market Value)</u>		
BT M Wrap Invest - General Fund M02 126 766	217,217	205,361
BT M Wrap Invest - Mortality Fund M02 126 862	121,506	116,646
Aust Unity (W) Mtge Trust - General 101 304 295	170,561	161,983
Aust Unity (W) Mtge Trust - Retire 101 304 311	102,838	97,666
Change in Value of Investment	12,591	47,462
	624,713	629,118

The following amounts are to be transferred from the ANZ General Account to:

Legal Account	6,368	6,239
Mortality	9,552	9,359

To be read in conjunction with the Auditor's Report and the notes to the accounts.

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

Notes to and Forming Part of the Financial Account for year ended 30 June 2012

	<u>2012</u>	<u>2011</u>
	\$	\$
Note 4		
Fixed Assets		
Unit 45/269 Wickham Street, Fortitude Valley at Valuation 5/10/11	171,687 <u>203,313</u> 375,000	171,687 <u>203,313</u> 375,000
 Office Equipment		
Opening Value	39910	39910
Additions at Cost	5,411	2,629
Assets written off	<u>0</u>	<u>-987</u>
	45,321	41,552
Less Accumulated Depreciation	<u>-39,910</u>	<u>-29,499</u>
	<u>5,411</u>	<u>12,053</u>
 Office Furniture and Fittings		
Opening Value	23,648	23,648
Additions at Cost	<u>0</u>	<u>-</u>
	23,648	23,648
Less Accumulated Depreciation	<u>-</u>	<u>- 19,233</u>
	<u>4,415</u>	<u>4,415</u>
	<u>384,826</u>	<u>391,468</u>
 Note 5		
ALP	0	0
QCU	9,256	17,439
Union Shopper	<u>3,927</u>	<u>3,310</u>
	<u>13,183</u>	<u>20,749</u>
 Employees Remuneration		
Staff	422,419	372,413
Officers Remuneration		
4 Staff	246,689	198,070
10 Officers	175,730	174,343
 Employees Superannuation		
Staff	57,226	44,308
Officers Superannuation		
4 Office Staff	34,041	26,904
10 Officers	23,185	17,404

To be read in conjunction with the Auditor's Report and the notes to the accounts.

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

Profit and Loss Appropriation Statement for the year ended 30 June 2012

	30/06/2012	30/06/2011
	\$	\$
Operating Surplus	35,149	16,590
Balance General Fund brought forward	1,185,898	972,827
Change in Value of Investments	<u>-12,591</u>	<u>-6,832</u>
Accumulated Funds	<u>1,208,456</u>	<u>982,585</u>

To be read in conjunction with the Auditor's Report and the notes to the accounts.

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

Profit and Loss Statement for the year ended 30 June 2012

	30/06/2012	30/06/2011
	\$	\$
Income		
Membership Contribution	668,041	600,738
Levies - Mortality Fund	9,359	9,359
- Legal Contingency	6,239	6,239
- General Fund	-	6,239
Interest Earned	11,530	5,140
Trust Income	27,583	19,728
AFULE Apparel	-	45
	<hr/>	<hr/>
Total Income	722,752	647,488
	<hr/>	<hr/>
Total Expenditure	687,603	630,898
	<hr/>	<hr/>
Surplus for year	35,149	16,590
	<hr/> <hr/>	<hr/> <hr/>

To be read in conjunction with the auditor's report and the notes to the accounts.

AUSTRALIAN FEDERATED UNION OF LOCOMOTIVE EMPLOYEES

Profit and Loss Statement for the year ended 30 June 2012

	30/06/2012	30/06/2011
	\$	\$
Expenditure		
Accountancy Fees	3,291	6,509
Affiliation Fees - QCU	9,256	17,439
Affiliation Fees - Union Shop	3,927	3,310
Affiliation Fees - ALP and ACTU	0	0
Audit Fees	3,400	0
Bank Charges	756	1,121
Body Corporate	8,331	9,664
Campaign	3,068	7,493
Cleaning	375	420
Commissions	0	3,276
Computer/Net exp & upgrades	8,902	7,168
Depreciation	4,150	6,994
Diaries, Badges and Logo Shirts	20,356	18,807
Divisional Council Expenses and Meetings	14,850	15,257
Donations	500	1,000
Electricity	1,390	1,609
Freight Paid	647	841
Functions	4,877	3,079
General Expenses	3,722	3,771
Income Protection	22,244	4,689
Insurance	1,382	1,341
Legal Expenses	13,825	14,748
Loss on Scrapping Assets	0.00	987.00
Mortality Payments	6,000	22,000
Postage	2,755	4,163
Printing and Stationery	9,608	8,752
Provision for Employee Entitlements	0	-9,363
Rates	3,120	3,894
Repairs	775	2,248
Salaries	422,419	372,413
Storage	3,109	3,031
Subscriptions	7,205	6,386
Superannuation	57,226	44,308
Telephone	19,272	20,716
Training	0	977
Travelling	25,842	21,090
Workers Compensation	1,023	760
	<hr/>	<hr/>
Total Expenses	687,603	630,898

To be read in conjunction with the Auditor's Report and the notes to the accounts.