



FAIR WORK  
COMMISSION

19 December 2016

Mr David Castledine  
Chief Executive Officer  
New South Wales Branch  
Civil Contractors Federation

By email: [ccfnsw@ccfnsw.com](mailto:ccfnsw@ccfnsw.com)

Dear Mr Castledine

**Re: Lodgement of Financial Statements and Accounts – Civil Contractors Federation, New South Wales Branch - for year ended 30 June 2016 (FR2016/286)**

I refer to the financial report for the New South Wales Branch of the Civil Contractors' Federation. The report was lodged with the Fair Work Commission on 8 December 2016.

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

Please note that the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review.<sup>1</sup>

You do not have to take any further action in relation to the report lodged but I make the following comment to assist when preparing the next financial report.

**Documents must be lodged with the FWC within 14 days of General Meeting**

Section 268 of the RO Act requires the full report and the designated officer's certificate to be lodged with the FWC within 14 days of the general meeting of members. The Designated Officer's Certificate indicated that this meeting occurred on 9 September. If this is correct the full report should have been lodged with the FWC by 23 September.

I note the advice provided by Ms Christie Rakete on 13 December, in relation to the circumstances of the delay. In such circumstances the Branch should have requested that a later day for lodgement be allowed. I note Ms Rakete's advice that steps have been taken to ensure timeframe compliance in future financial years, but if the Branch anticipates that it will not be able to lodge within the 14 day period, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made prior to the expiry of the 14 day period.

---

<sup>1</sup> The full range of disclosure requirements that may apply can be found itemised on the advanced assessment form available at <https://www.fwc.gov.au/documents/documents/organisations/factsheets/org-financial-report-checklist-advanced.pdf>

### Disclosure of capitation fees to another reporting unit

Reporting Guideline 16(b) requires that where capitation fees to another reporting unit are paid, the amount and the name of each reporting unit are to be disclosed in either the Statement of Comprehensive Income or the notes.

Based on the description as “per capita payment” at Note 15(e) and Ms Rakete’s advice, this disclosure was made as “National Levy” at Note 3(e) at the same time that the item “Capitation Fees” was reported as nil at Note 3(g).

On the other hand, there was no separate disclosure or non-activity disclosure in respect of “compulsory levies” as required by Reporting Guidelines 16(d) or 17 respectively (whichever applies).

For the avoidance of doubt future reports should reflect these Reporting Guidelines and distinguish disclosures for (i) the National ‘capitation’ levy and (ii) (other) compulsory levies.

### Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or 0429 462 979 or by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au)

Yours sincerely



Stephen Kellett  
Senior Adviser  
Regulatory Compliance Branch

**From:** KELLETT, Stephen  
**Sent:** Monday, 19 December 2016 5:56 PM  
**To:** 'ccfnsw@ccfnsw.com'  
**Cc:** Christie Rakete (cmr@ccfnsw.com); 'advisors@stannards.com.au'  
**Subject:** Attention Mr David Castledine - financial reporting - y/e 30 June 2016 - filing

Dear Mr Castledine,

Please see attached my letter in relation to the above. I also forward a copy to the Auditor's for the attention of Mr Michael Shulman.

Yours faithfully

**STEPHEN KELLETT**  
Regulatory Compliance Branch  
**FAIR WORK COMMISSION**

80 William Street  
EAST SYDNEY NSW 2011

(ph) (02) 6746 3283  
(mob.) 0429 462 979  
(email) [stephen.kellett@fwc.gov](mailto:stephen.kellett@fwc.gov)



CCF NSW FR2016  
286 (primary final).pdf

**From:** Christie Rakete [mailto:cmr@ccfnsw.com]  
**Sent:** Monday, 19 December 2016 1:28 PM  
**To:** KELLETT, Stephen  
**Subject:** RE: FR2016/286 - Financial Reporting matter re: Civil Contractors Federation - New South Wales Branch  
**Importance:** High

Hi Stephen,

Sorry for the delay in getting back to you, I was away majority of last week.

With regards to your questions about capitation fees, I can confirm that National Levies are capitation payments. National Levies is a term used internally.

Does this response suffice?

Kind regards,



Christie Rakete

Executive Assistant

CCF NEW SOUTH WALES ABN 55 645 813 882

Unit 11/9 Hoyle Avenue, Castle Hill NSW 2154

PO Box 7252, Baulkham Hills BC NSW 2153

**P** (02) 9009 4000 **F** (02) 9009 4050

**E** [cmr@ccfnsw.com](mailto:cmr@ccfnsw.com) [www.ccfnsw.com](http://www.ccfnsw.com)

*The Voice of the Industry*

 Please consider the environment before printing this e-mail

**Please note:**

The information contained in this correspondence may be confidential and is intended only for the person to whom it is addressed. It may contain information or advice of a legal, professional, public interest or otherwise privileged nature. If you are not the intended recipient any review, copying, transmission, dissemination or any other use is unauthorised. If you have received this correspondence or message in error please contact the sender immediately and delete the material from your computer.



**From:** Christie Rakete [mailto:cmr@ccfnsw.com]  
**Sent:** Tuesday, 13 December 2016 11:16 AM  
**To:** KELLETT, Stephen  
**Subject:** FR2016/286 - Financial Reporting matter re: Civil Contractors Federation - New South Wales Branch  
**Importance:** High

Hi Stephen,

As per our phone conversation this morning, I email you in relation to late lodgement of the Civil Contractors Federation NSW Financial Report for 2015/16 and Certificate of Designated Officer.

I am completely aware that our report should have been lodged 14 days after it was presented at our Annual General Meeting to Members. Unfortunately our signatory was overseas at this time and inadvertently missed my email asking him to sign the certificate of designated officer on the 15<sup>th</sup> September 2016.

Apologies for the oversight. I can assure you that we have put measures in place to ensure the report is lodged within the correct timeframe next financial year.

With regards to your question about capitation fees, I will come back to you shortly with a response from our CEO and/or Auditors.

Kind regards,



Christie Rakete

Executive Assistant

CCF NEW SOUTH WALES ABN 55 645 813 882

Unit 11/9 Hoyle Avenue, Castle Hill NSW 2154

PO Box 7252, Baulkham Hills BC NSW 2153

**P** (02) 9009 4000 **F** (02) 9009 4050

**E** [cmr@ccfnsw.com](mailto:cmr@ccfnsw.com) [www.ccfnsw.com](http://www.ccfnsw.com)

*The Voice of the Industry*

 Please consider the environment before printing this e-mail

**Please note:**

The information contained in this correspondence may be confidential and is intended only for the person to whom it is addressed. It may contain information or advice of a legal, professional, public interest or otherwise privileged nature. If you are not the intended recipient any review, copying, transmission, dissemination or any other use is unauthorised. If you have received this correspondence or message in error please contact the sender immediately and delete the material from your computer.



**From:** Christie Rakete [<mailto:cmr@ccfnsw.com>]

**Sent:** Friday, 9 December 2016 10:43 AM

**To:** Orgs

**Subject:** ON CMS FR2016/286 - Financial Reporting matter re: Civil Contractors Federation-New South Wales Branch

**Importance:** High

Dear FWC,

Please find attached CCF NSW Financial Report for year ended 30 June 2016 along with signed Certificate of Designated Officer.

Please confirm receipt of this email.

Kind regards,



Christie Rakete

Executive Assistant

CCF NEW SOUTH WALES ABN 55 645 813 882

Unit 11/9 Hoyle Avenue, Castle Hill NSW 2154

PO Box 7252, Baulkham Hills BC NSW 2153

**P** (02) 9009 4000 **F** (02) 9009 4050

**E** [cmr@ccfnsw.com](mailto:cmr@ccfnsw.com) [www.ccfnsw.com](http://www.ccfnsw.com)

*The Voice of the Industry*

 Please consider the environment before printing this e-mail

**Please note:**

The information contained in this correspondence may be confidential and is intended only for the person to whom it is addressed. It may contain information or advice of a legal, professional, public interest or otherwise privileged nature. If you are not the intended recipient any review, copying, transmission, dissemination or any other use is unauthorised. If you have received this correspondence or message in error please contact the sender immediately and delete the material from your computer.



2016 CCF NSW



Certificate of Designated Officer - 5



**CIVIL CONTRACTORS  
FEDERATION**

*The Voice of the Industry*

**CCF NEW SOUTH WALES OFFICE**

ABN 55 645 813 882

PO Box 7252  
Baulkham Hills BC NSW 2153

**P** (02) 9009 4000

**F** (02) 9009 4050

**E** [ccfnsw@ccfnsw.com](mailto:ccfnsw@ccfnsw.com)

[ccfnsw.com](http://ccfnsw.com)

9<sup>th</sup> December 2016

CCF2016-254

By email: [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)

**RE: Certificate of Designated Officer**

*s268 of Fair Work (Registered Organisations) Act 2009*

---

I, Michael Boyle being the President of the Civil Contractors Federation New South Wales Branch certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the RO Act; and
- that the full report was provided to members on Friday 19<sup>th</sup> August 2016 and
- that the full report was presented to a general meeting of members of the reporting unit on Monday 12<sup>th</sup> September 2016; in accordance with section 266 of the RO Act.

Signature:



**CIVIL CONTRACTORS  
FEDERATION**

*The Voice of the Industry*

**CIVIL CONTRACTORS FEDERATION  
(NSW BRANCH)**

**FINANCIAL REPORT FOR  
YEAR ENDED 30 JUNE 2016**

**ABN 55 645 813 882**



**Operating Report for the Year Ended 30 June 2016**

**Principal Activities s254(2)(9a)**

The principal activities of the Branch during the financial year were:

The Federation operates predominantly in one business and geographical segment, being a representative body of civil construction and maintenance contractors in New South Wales, providing support to Members throughout New South Wales via professional services, information and advice in a wide range of business service areas.

These services include industrial relations advice, dispute resolution, training (civil, business, workplace health and safety), changes to Acts and Regulation, changes to awards rates of and work practices to members of the Federation.

As the peak employer representative body for the industry in New South Wales the Federation represents its Members at all levels of Government and advocates relating to civil construction and maintenance and business trade.

**Results of principal activities s254(2)(a)**

The Branch's principal activities resulted in a profit of \$153,715 (2015 profit: \$221,330).

Advocacy and Member services in industrial relations services has again been a focus given Federal Workplace Relations reform including workplace agreements, and Federal and State Building and Construction Industry Code Compliance.

The Branch has again advocated strongly for Members and the industry in range of business impacting sectors, including infrastructure planning, procurement strategy and application, skills, industrial relations, workplace health and safety, and injury management/workers compensation.

Membership communications through the NSW Bulletin and e-bulletins, Member forums, functions, conferences and publications sales has again been significant throughout the year.

The Branch did not acquire an asset or liability during the financial year as a result of amalgamation under Part 2 of Chapter 3 of the Fair Work (Registered Organisations) Act, a restructure of the branches of an organisation, and/or a determination or revocation by the General Manager Fair Work Commission (FWC).

**Significant changes in nature of principal activities s254(2)(a)**

There were no significant changes in the nature of the Branch's principal activities during the financial year.

**Significant changes in Federation's financial affairs s254(2)(b)**

No matters or circumstances arose during the year which significantly affected the financial affairs of the Branch.

**Trustee or director of trustee company of superannuation entity or exempt public sector superannuation scheme s254(2)(d)**

No officer, or member of the reporting unit [to the best of my knowledge] holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

**Number of Members reg 159(a)**

The number of persons who, at the end of the financial year, were recorded on the Register of members was: 328 full members and 119 associate members. (2015: 331 full members and 101 associate members).

**Number of Employees** *reg 159(b)*

The number of persons who were, at the end of the financial year, employees of the NSW Branch of the Federation was 9 (2015: 6).

**NSW Branch Board Members** *reg 159(c)*

The persons who held office as members of the Board of the NSW Branch during the financial year were:

**John Wade** – Branch President (01.07.15 to 27.08.15)

**John Wade** – Branch Board Member (27.08.15 to 30.06.16)

**Michael Boyle** – Branch President (27.08.15 to 30.06.16)

**Michael Boyle** – Branch Vice President (01.07.15 to 27.08.15)

**Craig Smith** – Branch Treasurer (27.08.15 to 30.06.16)

**Craig Smith** – Branch Board Member (01.07.15 to 27.08.15)

**Stuart Ford** – Branch Treasurer (01.07.15 to 27.08.15)

**Stuart Ford** – Branch Vice-President (27.08.15 to 30.06.16)

**Robert Antoun** – Branch Board Member (01.07.15 to 30.06.16)

**Tom Brady** – Branch Board Member (01.07.15 to 30.06.16)

**Glenn Cherrie** – Branch Board Member (01.07.15 to 30.06.16)

**Anthony Di Cello** – Branch Board Member (27.08.15 to 30.06.16)

**Lee Fahey** – Branch Board Member (01.07.15 to 27.08.15)

**Lee Fahey** – Branch Board Member (23.03.16 to 30.06.16)

**Michael Fitzgerald** – Branch Board Member (01.07.15 to 27.08.15)

**Michael Fitzgerald** – Branch Board Member (23.03.16 to 30.06.16)

**Glenn Fordham** – Branch Board Member (01.07.15 to 30.06.16)

**David O'Connor** – Branch Board Member (01.07.15 to 27.08.15)

**David O'Connor** – Branch Board Member (23.03.16 to 30.06.16)

**Mark Schultz** – Branch Board Member (01.07.15 to 30.06.16)

**Paul Wise** – Branch Board Member (01.07.15 to 30.06.16)

**Robert Dahan** – Branch Board Member (01.07.15 to 27.08.15)

**Manner of resignation**

Members may resign from the Branch in accordance with Section 174 of the Fair Work (Registered Organisations) Act 2009 and with rule 9 of the Civil Contractors Federation Constitution and Rules, which reads as follows:

**"9 - RESIGNATION OF MEMBERS**

- (a) A Member may resign from the Branch by written notice addressed and delivered to the Chief Executive Officer (National).
- (b) A notice of resignation from membership of the Branch takes effect:
  - (i) at the end of two weeks after the notice is received by the Branch; or
  - (ii) on the day specified in the notice;whichever is later.
- (c) Any dues payable but not paid by a former Member of the Branch in relation to a period before the Member's resignation from the Branch took effect, may be sued for and recovered in the name of the Branch, in a court of competent jurisdiction, as a debt due to the Branch.
- (d) A notice of resignation that has been received by the Branch is not invalid because it was not addressed and delivered in accordance with sub rule (a) of Rule 9.
- (f) A resignation from membership of the Branch is valid even if it is not affected in accordance with this section if the Member is informed in writing by or on behalf of the Branch that the resignation has been accepted.

Michael Boyle  
**NSW President**



Dated in Sydney, this 17<sup>th</sup> day of August 2016

**NSW Committee of Management Statement for the Year Ended 30 June 2016**

On, 17<sup>th</sup> August 2016, the Board of the Civil Contractors Federation (NSW Branch) passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2016:

The NSW Branch declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Reporting Guidelines of the General Manager of FWC and Australian Accounting Standards;
- (b) 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;
- (c) 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;
- (d) during the financial year to which the general purpose financial report relates and since the end of that year:
  - (i) meetings of the NSW Branch Board were held in accordance with the rules of the organisation including the rules of a branch concerned;
  - (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;
  - (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;
  - (iv) the information sought in any request of a member of the reporting unit or the General Manager of FWC duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager of FWC;
  - (v) the financial records of the reporting unit have been kept, to the extent we have been advised of them and as far as practicable, in a consistent manner to each of the other reporting units of the organisation;
  - (vi) no requests were received from any member of the reporting unit or a General Manager of FWC for information under section 272 of the Fair Work (Registered Organisations) Act 2009; and
  - (vii) there have been no orders for inspection of financial records made by Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period; and
- (e) in relation to recovery of wage activity, there has been no recovery of wage activities during the year.

For the NSW Branch Board (Committee of Management):

Michael Boyle  
**NSW President**



Dated in Sydney, this 17<sup>th</sup> day of August 2016

**Auditor's Independence Declaration**



**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE BOARD OF THE  
CIVIL CONTRACTORS FEDERATION – NSW BRANCH**

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2016 there have been:-

- (i) no contraventions of the auditor independence requirements in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Stannards, Accountants & Advisors  
1/60 Toorak Road, South Yarra VIC 3141

Michael Shulman  
Partner (Registered Company Auditor: 163888)  
Holder of Current Public Practice Certificate  
Approved Auditor (FWC Act and Regulations)

Dated 17/8/16

Stannards Accountants and Advisors Pty Ltd  
A.C.N. 006 857 441  
Postal: PO Box 581, South Yarra, Vic 3141  
Level 1, 60 Toorak Road, South Yarra, Vic 3141  
Tel: (03) 9867 4433 Fax: (03) 9867 5118  
Email: advisors@stannards.com.au

**stannards.com.au**

Liability limited by a scheme approved under Professional Standards Legislation

Partners

Marino Angelini, CA  
Michael Shulman, CA  
Nello Traficante, CPA  
Jason Wall, CA  
Peter Angelini, CA

**Statement of Profit and Loss for the Year Ended 30 June 2016**

	Note	2016 \$	2015 \$
Revenues	2	2,272,781	2,390,916
Employee expenses	3f	(1,028,502)	(1,178,199)
Depreciation and amortisation	3d	(54,821)	(46,621)
Bad debts	3a	-	(18,970)
Merchant fees and bank charges		(7,554)	(5,783)
National Levy	3e	(88,000)	(52,141)
Rental expenses	3c	(99,792)	(88,252)
Functions, seminars and conference costs		(370,042)	(275,610)
Training costs		-	(43,545)
Communication costs		(27,633)	(27,346)
Travelling expenses		(11,751)	(25,983)
Project costs (ITAB & IBA)		(17,254)	(1,462)
CCF Bulletin and Year Book expenses		(54,470)	(28,713)
Other expenses from ordinary activities	3g	(359,247)	(376,961)
<b>Profit / (Loss) from ordinary activities before income tax expense</b>		<b>153,715</b>	<b>221,330</b>
Income tax expense	1a	-	-
<b>Net profit / (loss) from ordinary activities after income tax expense attributable to the Federation</b>		<b>153,715</b>	<b>221,330</b>

The accompanying notes form part of the financial statements

**Statement of Comprehensive Income for the Year Ended 30 June 2016**

	2016 \$	2015 \$
Surplus / (Loss) for the period	153,715	221,330
Other Comprehensive Income for the period	-	-
Total comprehensive Income for the period	153,715	221,330
Total comprehensive Income attributable to members of the organisation	153,715	221,330

The accompanying notes form part of the financial statements

**Statement of Financial Position as at 30 June 2016**

	Note	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	878,194	1,003,112
Trade and other receivables	5	2,052,035	1,471,798
Other current assets	6	146,668	56,077
<b>TOTAL CURRENT ASSETS</b>		<b>3,076,897</b>	<b>2,530,987</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	7	12,500	12,500
Plant and equipment	8	101,043	105,623
Website Development Costs	9	85,142	31,632
<b>TOTAL NON-CURRENT ASSETS</b>		<b>198,685</b>	<b>149,755</b>
<b>TOTAL ASSETS</b>		<b>3,275,582</b>	<b>2,680,742</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	2,578,008	2,172,840
Short term provisions	11	84,059	57,908
Borrowings	13	35,005	33,088
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,697,072</b>	<b>2,263,836</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term provisions	11	50,960	44,828
Borrowings	13	36,070	34,313
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>87,030</b>	<b>79,141</b>
<b>TOTAL LIABILITIES</b>		<b>2,784,102</b>	<b>2,342,977</b>
<b>NET ASSETS</b>		<b>491,480</b>	<b>337,765</b>
<b>MEMBERS' FUNDS</b>			
Accumulated Surplus		491,480	337,765
<b>TOTAL MEMBERS' FUNDS</b>		<b>491,480</b>	<b>337,765</b>

The accompanying notes form part of the financial statements



**Statement of Changes in Members' Funds for the Year Ended 30 June 2016**

	2016 \$	2015 \$
Balance at beginning of financial year	337,765	116,435
Surplus / (Loss) attributable to members	153,715	221,330
Balance at end of financial year	491,480	337,765

The accompanying notes form part of the financial statements

**Statement of Cash Flow for the Year ended 30 June 2016**

	Note	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members and customers		1,652,823	2,611,563
Receipts from National Office		2,872	5,379
Receipts from South Australia Branch		-	1,463
Receipts from Queensland Branch		-	361
Receipts from Victoria Branch		8,879	2,750
Interest received		27,970	20,883
Payments to CCF National Office – Levy charge		(88,000)	(52,141)
Payments to CCF National Office – Sundry		(8,807)	(12,580)
Payments to CCF South Australia Branch		-	(1,463)
Payments to CCF Queensland Branch		-	(361)
Payments to CCF Victoria Branch		(9,094)	(23,239)
Payments to suppliers and employees		(1,611,484)	(1,950,497)
<b>Net cash provided by operating activities</b>	16b	<b>(24,841)</b>	<b>602,118</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of plant and equipment		(46,960)	(31,649)
Website development costs		(70,564)	(31,632)
Proceeds from sale of plant and equipment		13,773	31,816
<b>Net cash (used in) investing activities</b>		<b>(103,751)</b>	<b>(31,465)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Borrowings		3,674	(47,037)
<b>Net cash (used in) financing activities</b>		<b>3,674</b>	<b>(47,037)</b>
<b>Net (decrease)/increase in cash held</b>		<b>(124,918)</b>	<b>523,616</b>
Cash at the beginning of the financial year		1,003,112	479,496
<b>Cash at the end of the financial year</b>	16a	<b>878,194</b>	<b>1,003,112</b>

The accompanying notes form part of these financial statements

**Notes to the Financial Statements for the Year Ended 30 June 2016**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Fair Work (Registered Organisations) Act 2009 and Fair Work (Registered Organisations) Regulations 2009.

The financial report covers Civil Contractors Federation (NSW Branch) as an Individual entity. Civil Contractors Federation (NSW Branch) is a Federation incorporated in New South Wales under the Fair Work (Registered Organisations) Act 2009.

**Basis of Preparation**

The financial report of Civil Contractors Federation (NSW Branch) as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The Civil Contractors Branch (NSW Branch) is a 'not for profit' organisation.

The financial report has been 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 consideration given in exchange for assets.

The accounting policies set out below have been consistently applied, unless otherwise stated.

**Accounting Policies**

**a. Income Tax**

The Federation is registered under the Fair Work (Registered Organisations) Act 2009 and, is believed to be exempt from income tax including capital gains tax, by virtue of the provisions of s.50-15 of the Income Tax Assessment Act 1997.

**b. Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposits held at-call with banks or financial institutions, investments in money market instruments maturing in less than three months, net of bank overdrafts.

**c. Plant and Equipment**

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

Cost and valuation

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount of 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 been discounted to present value in determining recoverable amounts.

**Notes to the Financial Statements for the Year Ended 30 June 2016 (cont'd)****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)****c. Plant and Equipment (cont'd)***Depreciation*

The depreciable amounts of plant and equipment are depreciated using the straight line method at rates based on their estimated useful lives commencing from the time the asset is held ready for use.

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

	<b>2016</b>	<b>2015</b>
Office, furniture and equipment	20%-33%	10%-33%
Motor vehicles	10%-20%	10%-20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

The assets' carrying value is written down immediately to recoverable amount if the carrying amount is greater than estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount. These gains and losses are included in the Statement of Profit and Loss.

**d. Financial Instruments**

Financial instruments are initially measured at cost on trade date, which includes the transaction costs, when the related contractual rights or obligations exist.

Subsequent to the initial recognition, the Board assess whether there is objective evidence that a financial instrument has been impaired. 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 Profit and Loss.

**e. Employee Benefits**

## Short-term employee benefits

Provision is made for the Branch's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and vesting sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Branch's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

**Notes to the Financial Statements  
for the Year Ended 30 June 2016 (cont'd)**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**e. Employee Benefits (cont'd)**

Long-term employee benefits

Provision is made for employee's long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Branch's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Branch does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

No provision is made for sick leave as there is no vested liability to pay for accumulated leave and the sick leave to be taken in future reporting periods is not expected to be greater than entitlements which are expected to accrue in those periods.

Superannuation

Contributions are made by the Branch to employee superannuation funds and are expensed when incurred. The Branch is not obliged to contribute to these funds other than to meet its liabilities under the superannuation guarantee system and is under no obligation to make up any shortfall in the funds' assets to meet payments due to employees.

**f. Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Branch are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Federation will obtain ownership of the asset over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives received under operating leases are recognised as a liability. Lease payments reduce the liability.

**Notes to the Financial Statements  
for the Year Ended 30 June 2016 (cont'd)**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**g. 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense, and is included in receivables and payables in the Statement of Financial Position.

Cash flows are presented in the Cash Flow Statement on a gross basis, except the GST component of investing and financing activities, which are disclosed as operating cash flows.

**h. Revenue**

Revenue from membership subscriptions is recognised proportionately over the period to which it relates. Any contribution received in advance for the next period is included in deferred income.

Revenue from the rendering of a service is recognised in proportion to the stage of completion of the service.

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

**i. Comparative figures**

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

**j. Operating Segment**

The Branch is incorporated under the Fair Work (Registered Organisations) Act 2009 and domiciled in Australia.

The Branch operates predominantly in one business and geographical segment, being a representative body of civil engineering contractors in NSW Australia, providing professional services, information and advice including industrial relations advice, dispute resolution, training (business, occupational health and safety), changes to acts and legislation, changes to award rates of and work practices to members of the Branch throughout NSW Australia.

**k. Fair Value of Assets and Liabilities**

The Branch measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Branch would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

**Notes to the Financial Statements  
for the Year Ended 30 June 2016 (cont'd)**

**k. Fair Value of Assets and Liabilities (cont'd)**

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statement.

**l. Capitation Fees**

These fees are recognised on an accruals basis, and recorded as an expense in the year to which they relate.

**m. Critical Accounting Estimates and Judgements**

The Board evaluates estimates and judgments incorporated into the financial report 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 Branch.

*Key Estimates – Impairment*

The Board assesses impairment on each reporting date by evaluating conditions specific to the Branch 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 in respect of any assets for the year ended 30 June 2016, except as stated in this report.

*Key Judgements - Doubtful Debts Provision*

The Board have assessed each debtor and have estimated no provision for doubtful debts is required except as disclosed at Note 5. The Board believes that the full amount of the remaining debtors are recoverable.

**Notes to the Financial Statements  
for the Year Ended 30 June 2016 (cont'd)**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**n. New Accounting Standards for Application in Future Periods**

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Branch, together with an assessment of the potential impact of such pronouncements on the Branch when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Branch on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Branch's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts and customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Branch's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.



## Notes to the Financial Statements for the Year Ended 30 June 2016 (cont'd)

### New Accounting Standards for Application in Future Periods (cont'd)

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Branch's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

### **o. Information to be provided to Members or General Manager of FWC**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-section (1), (2) and (3) of Section 272 which reads as follows:-

- (1) A Member of an organisation, or the General Manager of FWC, may apply to the organisation for specified prescribed information in relation to the organisation 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 organisation.
- (3) An organisation must comply with an application made under subsection (1).

### **p. Going Concern**

The Branch believes based on forecasts for the 2017 year, that a going concern basis continues to be appropriate. The branch is not reliant on agreed financial support to continue as a going concern, nor has it agreed to provide such support to ensure other branches can operate as a going concern.

**Notes to the Financial Statements  
for the Year Ended 30 June 2016 (cont'd)**

	2016 \$	2015 \$
<b>NOTE 2: REVENUE</b>		
Operating activities:		
Membership Income (Subscriptions)	1,343,126	1,305,872
Advertising & Sponsorship	116,811	109,098
Training Income	-	297,628
Functions	456,673	408,374
CCF Bulletins	68,620	44,015
Short Courses	-	34,421
Daily Inspection Procedure Sales	43,800	43,265
Commission Received	-	26,573
IMS System	3,175	10,269
Interest Income	27,970	20,883
Consulting Fees	15,184	35,561
Other Income	6,896	9,514
Projects Income	190,526	20,443
Sundry Income	-	-
Compulsory and Voluntary Levies	-	-
Grants	-	25,000
Donations	-	-
Financial Support (Branches)	-	-
Capitation Fees	-	-
<b>Total Revenue</b>	<b>2,272,781</b>	<b>2,390,916</b>
<b>NOTE 3: PROFIT/(LOSS) FROM ORDINARY ACTIVITIES</b>		
The operating profit/(loss) of the Branch before income tax expense has been determined after:		
<b>a. Bad and Doubtful Debts</b>		
Bad debts written off to expense	-	18,970
	-	18,970
<b>b. Auditor's Remuneration</b>		
Auditor's remuneration – Audit of Financial Statements (other services - \$nil (2015: \$nil))	14,000	9,500
	14,000	9,500
<b>c. Operating Leases</b>		
Rent	99,792	88,252
	99,792	88,252
<b>d. Depreciation and Amortisation</b>		
Plant and equipment	36,183	22,303
Motor vehicles	19,488	23,735
(Profit) / Loss on sale of vehicles	(850)	583
	54,821	46,621
<b>e. Levy</b>		
National office levy	88,000	52,141

The levy is imposed by the CCF National Office to assist in funding the National Office operations.

**Notes to the Financial Statements  
for the Year Ended 30 June 2016 (cont'd)**

	2016 \$	2015 \$
<b>NOTE 3: PROFIT/(LOSS) FROM ORDINARY ACTIVITIES</b>		
<b>f. Employee related expenses</b>		
Salaries	832,870	996,744
Superannuation	69,471	75,631
Employee benefits	32,283	36,316
Payroll Tax	45,912	51,813
Training and recruitment	47,966	17,695
	1,028,502	1,178,199
<b>g. Other expenses</b>		
Study Tour	10,000	-
Affiliation Fees	-	-
Auditor's Remuneration	14,000	9,500
Attendance Allowance / Fee – Meetings & Conferences	5,929	12,676
Penalties – via RO Act or Regulations	-	-
Capitation Fees	-	-
Consideration to Employers for Payroll Deductions	-	-
Donations < \$1,000	285	100
Donations > \$1,000	5,000	-
Grants < \$1,000	-	-
Grants > \$1,000	-	-
Public Relations	2,337	77
Accountancy Fees	67,643	77,474
IT support	31,956	17,566
Motor vehicle expenses	66,022	53,320
Legal costs – Litigation	-	-
Legal Costs – Consultation (Other Matters)	12,069	46,501
Sponsorship	-	-
Subscriptions – Political Parties etc.	-	-
Subscriptions	7,947	1,019
Forgiveness of Loans	-	-
Consulting Fees	300	-
Other / Sundry	135,759	160,190
	359,247	378,423
<b>NOTE 4: CASH AND CASH EQUIVALENTS</b>		
<b>Current</b>		
Cash on hand	500	500
Cash at bank	474,578	947,912
Short-term bank deposits	403,116	54,700
	878,194	1,003,112
The weighted average interest rate for cash as at 30 June 2016 is 1.10% (2015: 1.35%)		
<b>NOTE 5: TRADE AND OTHER RECEIVABLES</b>		
<b>a. Current</b>		
Trade debtors	2,064,909	1,487,456
Less: Provision for doubtful debts	(15,369)	(16,563)
	2,049,540	1,470,893
Sundry and other debtors	2,495	905
	2,052,035	1,471,798

**Notes to the Financial Statements  
for the Year Ended 30 June 2016 (cont'd)**

**NOTE 5: TRADE AND OTHER RECEIVABLES (cont'd)**

**b. Terms and Conditions**

Trade debtors relate to services provided, they are non-interest bearing and are unsecured. Trade debtors relating to training carry terms of up to 90 days. All other trade debtors carry settlement terms of 30 days.

Details of the trade debtors owing from related parties are outlined at Note 15f.

Sundry debtors are non-interest bearing and unsecured.

	2016 \$	2015 \$
<b>NOTE 6: OTHER CURRENT ASSETS</b>		
<b>Current</b>		
Prepayments and Security Deposits	143,644	52,121
Stock on Hand	3,024	3,956
	146,668	56,077
<b>NOTE 7: FINANCIAL ASSETS</b>		
<b>a. Non-Current</b>		
Shares in unlisted company – at Branch Board valuation	12,500	12,500

**b. Terms and Conditions**

The Federation holds 625 shares in Beaconsfield Press Pty Limited. The shares of the Branch are valued based on the consideration of the transfer to shares to Civil Contractors Federation (NSW Branch) in August 2000. The Board continues to believe that this valuation is the most appropriate to value these shares.

**NOTE 8: PLANT AND EQUIPMENT**

Motor vehicles – at cost	124,619	120,308
Less: Accumulated depreciation	(60,432)	(66,266)
	64,187	54,042
Office furniture and equipment – at cost	167,684	164,044
Less: Accumulated depreciation	(130,828)	(112,463)
	36,856	51,581
Total plant and equipment – net book value	101,043	105,623

**Notes to the Financial Statements  
for the Year Ended 30 June 2016 (cont'd)**

	2016 \$	2015 \$
<b>Reconciliation of movements in plant and equipment</b>		
<b>Motor vehicle – at cost</b>		
Carrying amount at beginning of the year	54,042	87,323
Additions	42,556	22,854
Disposals	(12,873)	(32,400)
Depreciation expense	(19,538)	(23,735)
Carrying amount at end of the year	64,187	54,042
<b>Furniture and equipment</b>		
Carrying amount at beginning of the year	51,581	65,089
Additions	4,404	8,795
Disposals	(50)	-
Depreciation expense	(19,079)	(22,303)
Carrying amount at end of the year	36,856	51,581
Total carrying amount at end of the year	101,043	105,623

**NOTE 9: WEBSITE DEVELOPMENT COSTS**

Website development costs	102,196	31,632
Less: Accumulated amortisation	(17,054)	-
	85,142	31,632

**NOTE 10: TRADE AND OTHER PAYABLES**

<b>a. Current</b>		
Deferred income	2,189,817	1,843,258
Creditors and accruals	388,191	329,582
	2,578,008	2,172,840

**b. Terms and Conditions**

Deferred income relates to cash receipts for membership fees, training and advertising revenue received for the 2016/17 year and project funding received for 2016/17 and beyond.

Creditors and accruals are settled within the terms of payments offered, which is usually within 30 days. These balances are unsecured and no interest is applicable on these accounts.

**Notes to the Financial Statements  
for the Year Ended 30 June 2016 (cont'd)**

	2016 \$	2015 \$
<b>Provision for Employee Benefits (cont'd)</b>		
<b>NOTE 11: PROVISIONS</b>		
<b>a. Current</b>		
Provisions for annual leave	84,059	57,908
Provisions for long service leave	-	-
	84,059	57,908
<b>b. Non-Current</b>		
Provisions for long service leave	50,960	44,828
	135,019	102,736
<b>c. Aggregate employee entitlement liability</b>		
	9	6
<b>d. Number of employees at year-end</b>		

	Annual Leave		Long Service Leave and Retirement Allowance		Total	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
Officeholders	-	-	-	-	-	-
Other Staff	84,059	57,908	50,960	44,828	135,019	102,736
<b>Total</b>	84,059	57,908	50,960	44,828	135,019	102,736

There are no bonuses for separation and redundancy or other provisions for officeholders or other employees (2015: \$nil).

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Branch does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Branch does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

**NOTE 12: EMPLOYEE BENEFITS**

	Elected Officials (Office holders)		Employees (other than Elected Officials)		Total	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
Employee benefits paid/accrued during the year						
Wages and Salaries	-	-	824,450	976,600	824,450	976,600
Annual Leave and Long Service Leave	-	-	32,283	36,316	32,283	36,316
Redundancy Payments	-	-	8,420	20,144	8,420	20,144
Superannuation	-	-	69,471	75,631	69,471	75,631
Other Employee Expenses	-	-	93,878	69,508	93,878	69,508
<b>Total</b>	-	-	1,028,502	1,178,199	1,028,502	1,178,199

**Notes to the Financial Statements  
for the Year Ended 30 June 2016 (cont'd)**

	2016 \$	2015 \$
<b>NOTE 13: BORROWINGS</b>		
<b>a. Current</b>		
Hire Purchase Liability	35,005	33,088
<b>b. Non-Current</b>		
Hire Purchase Liability	36,070	34,314
<b>c. Terms and Conditions</b>		
Hire purchase facilities are secured by the assets they are financing.		

**NOTE 14: FINANCIAL RISK MANAGEMENT**

**Financial Risk Management Policies**

The Branch's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, and investments in an unlisted company. The Branch does not have any derivative instruments at 30 June 2016.

**i. Terms, Conditions and Accounting Policies**

The Branch's accounting policies are included in Note 1, while the terms and conditions, including the effective weighted average interest rate of each class of financial asset and financial liability both recognised and unrecognised at the balance date are included under the appropriate note for that instrument.

**ii. Treasury Risk Management**

The Branch Board members meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

**iii. Financial Risk Exposures and Management**

The main risks the Branch is exposed to through its financial instruments are interest rate risk, liquidity and credit risk.

**Liquidity risk**

The Branch manages this risk by monitoring its credit terms on trade debtors.

**Interest rate risk**

The Branch has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

**Notes to the Financial Statements  
for the Year Ended 30 June 2016 (cont'd)**

As at 30 June 2016, the effect on profit and equity as a result of the changes in interest rate, with all other variables remaining constant would be as follows:

	2016 \$	2015 \$
<b>Change in profit/(loss)</b>		
Increase in interest rate by 1%	8,066	9,352
Decrease in interest rate by 1%	(8,066)	(9,352)
<b>Change in equity</b>		
Increase in interest rate by 1%	8,066	9,352
Decrease in interest rate by 1%	(8,066)	(9,352)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

No sensitivity analysis has been performed on foreign currency risk as the Branch is not materially exposed to foreign currency fluctuations.

**Credit Risk Exposure**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial report.

The Branch is not materially exposed to any individual credit risk.

**NOTE 14: FINANCIAL RISK MANAGEMENT (cont'd)**

**Interest Rate Risk**

The Branch's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:-

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturities				Total \$
			1 year or less \$	1 to 5 years \$	Over 5 years \$	Non Interest Bearing \$	
<b>30 June 2016</b>							
<b>Assets:</b>							
Cash	1.10%	877,694	-	-	-	500	878,194
Trade and Sundry Debtors		-	-	-	-	2,198,703	2,198,703
		877,694	-	-	-	2,199,203	3,076,897
<b>Liabilities:</b>							
Sundry Creditors & Other Liabilities		-	-	-	-	(2,578,008)	(2,578,008)
Borrowings	6.5%	-	(35,005)	(36,070)	-	-	(71,075)
			(35,005)	(36,070)	-	(2,578,008)	(2,649,083)
Net financial assets		877,694	(35,005)	(36,070)	-	(378,805)	427,814
<b>30 June 2015</b>							
Total financial assets	1.35%	1,002,612	-	-	-	1,528,375	2,530,987
Total financial liabilities	6.5%	-	(33,088)	(34,314)	-	(2,172,840)	(2,240,242)
Net financial assets		1,002,612	(33,088)	(34,314)	-	(644,465)	290,745

**iv. Net Fair Values**

The aggregate net fair values and carrying amount of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the notes to the financial statements.



**Notes to the Financial Statements  
for the Year Ended 30 June 2016 (cont'd)**

**NOTE 15: RELATED PARTIES**

**a. NSW Branch Board members**

The names of the members of the NSW Branch Board who held office during the year are as follows:

John Wade, Michael Boyle, Stuart Ford, Robert Antoun, Tom Brady, Glenn Cherrie, Robert Dahan, Lee Fahey, Glenn Fordham, Michael Fitzgerald, David O'Connor, Mark Schultz, Craig Smith, Paul Wise and Anthony Di Cello.

No officeholder received any remuneration during the year, or accrued an employee entitlement.

The officeholders received no 'non cash' benefits (2015: \$nil). No officeholder of the Branch during the year and/or the prior year declared any material personal interest in a matter that he/she has or did acquire, or a relative of the officeholder has or did acquire. Personal interests and directorships are disclosed in the Operating Report.

No officeholder or officer of the Branch (this year or last year) received any remuneration because they were a member of, or held position with a Board or other organisation because:-

- i) The officeholder held such a position with the Board or other organisation only because they were an officeholder of the Branch; or
- ii) They were nominated for the position by the Branch; or
- iii) They received remuneration from any third party, in connection with the performance of their duties as an officeholder of the Branch.

**b. Names and positions held by key management personnel at any time during the year**

David Castledine - Chief Executive Officer  
 Raul Baonza – Compliance Support Officer – People Issues  
 Danielle Briggs – Finance Officer  
 Heath Kilah – Compliance Support Field Officer / Systems Issues  
 Dr. Liesel Henn – Policy and Projects Manager

In the current year, there was 9 full time equivalent staff (2015: 5.5 full time equivalent staff).

c. Key Management Personnel Remuneration	2016 \$			2015 \$		
	Salaries \$	Super-annuation \$	Total \$	Salaries \$	Super-annuation \$	Total \$
Total Compensation	571,234	48,272	619,506	493,967	42,464	536,431

d. Annual Leave and Long Service Leave Accrued for Key Management Personnel During the Year	2016 \$			2015 \$		
	Annual Leave \$	Long Service Leave \$	Total \$	Annual Leave \$	Long Service Leave \$	Total \$
Total Leave Provision	78,257	38,217	116,474	53,993	28,771	82,764

There were no bonuses payable to key personnel this year (2015: \$nil).

**Notes to the Financial Statements  
for the Year Ended 30 June 2016 (cont'd)**

**e. Transactions with National Office, Branches and Related Entities**

Entities related to NSW Branch Board members paid membership fees, received training, purchased statutory awards and updates from the Branch during the year on the same commercial terms and conditions offered to all other members.

Levy Payment	<b>2016</b>	<b>2015</b>
During the year, the NSW Branch paid to the National Office a per capita payment calculated in accordance with the rules.	<b>\$</b>	<b>\$</b>
	88,000	52,141

**f. Related Party balances at year end**

Amounts receivable/(payable) at reporting date – Federal office and other branches	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
National Office	(8,995)	(4,875)
South Australia Branch	-	-
Queensland Branch	-	-
Victoria Branch	495	138
	<u>(8,500)</u>	<u>(4,737)</u>

Balance Reconciliation- related entities

National Office		
Carrying amount at beginning of the year	(4,875)	(9,846)
Levy charge	(88,000)	(52,141)
Sundry charges	(12,829)	(2,230)
Sundry income	2,774	-
Receipts	(2,872)	(5,379)
Payment made	96,807	64,721
Carrying amount at end of the year	<u>(8,995)</u>	<u>(4,875)</u>

South Australia Branch		
Carrying amount at beginning of the year	-	-
Sundry Charges	-	-
Sundry Income	-	-
Receipts	-	(1,463)
Payment made	-	1,463
Carrying amount at end of the year	<u>-</u>	<u>-</u>

Queensland		
Carrying amount at beginning of the year	-	-
Sundry Charges	-	-
Sundry Income	-	-
Receipts	-	(361)
Payment made	-	361
Carrying amount at end of the year	<u>-</u>	<u>-</u>

CMS Unit / Victoria Branch		
Carrying amount at beginning of the year	138	(4,977)
Sundry Charges	(9,094)	(17,629)
Sundry Income	9,236	2,255
Receipts	(8,879)	(2,750)
Payment made	9,094	23,239
Carrying amount at end of the year	<u>495</u>	<u>138</u>

**Notes to the Financial Statements  
for the Year Ended 30 June 2016 (cont'd)**

	2016 \$	2015 \$
<b>NOTE 16: CASH FLOW INFORMATION</b>		
<b>a. Reconciliation of Cash</b>		
Cash on hand	500	500
Cash at bank	474,578	947,912
Call deposit	403,116	54,700
	878,194	1,003,112
<b>b. Reconciliation of profit / (loss) from ordinary activities after income tax to net cash provided by operating activities</b>		
Operating profit / (loss) after income tax	153,715	221,330
<b>Add/(Less) items classified as investing/financing activities</b>		
- Loss on disposal of non current assets	(850)	583
<b>Non-cash flows in profit/(loss) from ordinary activities</b>		
- Depreciation and amortisation	55,671	46,038
- Bad debts	-	18,970
<b>Changes in assets and liabilities</b>		
Decrease/(Increase) in receivables	(580,237)	222,060
Decrease/(Increase) in other assets	(90,591)	(16,279)
(Decrease)/Increase in deferred income	346,559	63,966
(Decrease)/Increase in creditors and accruals	58,609	9,980
(Decrease)/Increase in provisions	32,283	35,470
<b>Net cash provided by operating activities</b>	<b>(24,841)</b>	<b>602,118</b>

**c. Credit Facility**

The Branch has a business card credit facility of \$50,000. The facility is required to be clear at the end of each month. At 30 June 2016, the available facility was \$43,217.

**Notes to the Financial Statements  
for the Year Ended 30 June 2016 (cont'd)**

	2016 \$	2015 \$
<b>NOTE 17: OPERATING COMMITMENTS</b>		
<b>Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
- not later than 12 months	94,425	91,833
- between 12 months and five years	102,515	196,940
	196,940	288,773

**a. Office**

An operating lease agreement was commenced on 23 September 2013 for a period from September 2013 to September 2018 with Essential Fire Superannuation Pty Ltd on the use of the premise situated at 11/9 Hoyle Avenue, Castle Hill.

**NOTE 18: EVENTS SUBSEQUENT TO BALANCE DATE**

No matters or circumstances have occurred since the end of the financial year which significantly affect, or may significantly affect, the operations of the Branch, the results of those operations or the state of affairs of the Branch in future financial years, other than the Branch is relocating to new premises.

**NOTE 19: FAIR VALUE MEASUREMENT**

The Branch measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- freehold land and buildings.

The Branch does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

**Notes to the Financial Statements  
for the Year Ended 30 June 2016 (cont'd)**

**NOTE 19: FAIR VALUE MEASUREMENT (cont'd)**

**a. Fair Value Hierarchy**

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Branch selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Branch are consistent with one or more of the following valuation approaches:-

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

**Notes to the Financial Statements  
for the Year Ended 30 June 2016 (cont'd)**

**NOTE 19: FAIR VALUE MEASUREMENT (cont'd)**

The following tables provide the fair values of the Branch's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation with the fair value hierarchy.

	Note	30 June 2016			Total \$
		Level 1 \$	Level 2 \$	Level 3 \$	
<b>Recurring fair value measurements</b>					
<i>Financial assets</i>					
Available for sales assets		-	12,500	-	12,500
<b>Total financial assets recognised at fair value</b>		-	12,500	-	12,500
<i>Non-financial assets</i>					
Freehold land & buildings		-	-	-	-
<b>Total non-financial assets recognised at fair value</b>		-	-	-	-

	Note	30 June 2015			Total \$
		Level 1 \$	Level 2 \$	Level 3 \$	
<b>Recurring fair value measurements</b>					
<i>Financial assets</i>					
Available for sales assets		-	12,500	-	12,500
<b>Total financial assets recognised at fair value</b>		-	12,500	-	12,500
<i>Non-financial assets</i>					
Freehold land & buildings		-	-	-	-
<b>Total non-financial assets recognised at fair value</b>		-	-	-	-

**b. Valuation Techniques and Inputs Used to Measure Level 2 Fair Values**

Description	Fair Value at 30 June 2016 & 30 June 2015 \$	Valuation Technique(s)	Inputs Used
<i>Financial assets</i>			
Financial assets at fair value through future cash flow:	12,500	Market approach: valuation techniques that reflect prices and other relevant information generated by market transactions for identical or similar assets	Market price per share, market borrowing date
	12,500		

**Notes to the Financial Statements  
for the Year Ended 30 June 2016 (cont'd)**

**NOTE 19: FAIR VALUE MEASUREMENT (cont'd)**

**c. Disclosed Fair Value Measurements**

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:-

- accounts receivable and other debtors;
- accounts payable and other payables; and
- hire purchase liability.

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation techniques(s) and inputs used:

Description	Fair Value at Hierarchy Level	Valuation Technique(s)	Inputs Used
<i>Assets</i>			
Accounts receivable and other debtors	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets
<i>Liabilities</i>			
Accounts payable and other payables	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets
Hire purchase liabilities	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments

**NOTE 20: CONTINGENT LIABILITIES**

The Branch is not subject to any material contingent liabilities at balance date.

**NOTE 21: ECONOMIC DEPENDENCY**

The Branch is economically dependent on ongoing funding in the form of membership fees.

**NOTE 22: OTHER DISCLOSURES**

The Branch did not receive or provide any financial support from/(to) any other reporting unit during the year.

Except as disclosed in the Statement of Profit and Loss, there were no expenses in connection with holding meetings of members of the Branch and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the Branch was wholly or partly responsible.

No payables exist at reporting date in respect of legal costs (2015: \$14,031 payable for legal costs (relating to 'other matters')). No payable exists at reporting date in respect of consideration to payroll deductions (2015: \$nil).

**Notes to the Financial Statements  
for the Year Ended 30 June 2016 (cont'd)**

**NOTE 23: BRANCH DETAILS**

The registered office and the principal place of business of the Branch is:  
Civil Contractors Federation (NSW Branch)  
Unit 11  
9 Hoyle Avenue  
Castle Hill NSW 2154



**Auditor's Report**



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
CIVIL CONTRACTORS FEDERATION (NSW BRANCH)**

To the Members of Civil Contractors Branch – NSW Branch

**Scope**

**The financial report and Committee of management responsibility**

The financial report comprises the Committee of Management Statement, Statement of Profit and Loss, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement, and accompanying notes to the financial statements for the Civil Contractors Branch (NSW Branch) for the year ended 30 June 2016 set out on pages 6 to 32.

The NSW Branch Board of the Branch is responsible for the preparation and true and fair presentation of the financial report in accordance with Australian Accounting Standards, the Reporting Guidelines of the General Manager of FWC and other mandatory financial reporting requirements in Australia. 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.

**Audit Approach**

We conducted an independent audit in order to express an opinion to the members of the NSW Branch. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is 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 report presents fairly, in accordance with Australian Accounting Standards, the Reporting Guidelines of the General Manager of FWC and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Branch's financial position, and of its performance as represented by the results of its 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 report; and
- assessing the appropriateness of the accounting estimates made by members of the Committee of Management.

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.

Stannards Accountants and Advisors Pty Ltd  
A.C.N. 006 857 441  
Postal: PO Box 581, South Yarra, Vic 3141  
Level 1, 60 Toorak Road, South Yarra, Vic 3141  
Tel: (03) 9867 4433 Fax: (03) 9867 5118  
Email: advisors@stannards.com.au

**stannards.com.au**

Liability limited by a scheme approved under Professional Standards Legislation

Partners

Marino Angelini, CA  
Michael Shulman, CA  
Nello Traficante, CPA  
33. Jason Wall, CA  
Peter Angelini, CA



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
CIVIL CONTRACTORS FEDERATION (NSW BRANCH)**

**Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

**Audit Opinion**


In our opinion, under the Fair Work (Registered Organisations) Act 2009, the general purpose financial report is presented fairly in accordance with any of the following that apply in relation to the reporting unit:

- a. Australian Accounting Standards, and Australian Accounting interpretations;
- b. in relation to recovery of wages activity;
  - (i) that the scope of the audit encompassed recovery of wages activity
  - (ii) that the financial statements and notes and recovery of wages activity fairly report all information required by the reporting guidelines of General Manager of FWC, including;
    - 1. Any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
    - 2. Any donations or other contributions deducted from recovered money; and
- c. Any other requirements imposed by these Reporting Guidelines or the Fair Work (Registered Organisations) Act 2009.

In our opinion, there were kept by the organisation satisfactory accounting records detailing the source and nature of all income and the nature of all expenditure.

As part of our audit of the organisation for the year ended 30 June 2016, we are of the opinion that management's use of the going concern basis of accounting in the preparation of its financial statements is appropriate.

  
Stannards Accountants and Advisors

  
MB Shulman  
Registered Company Auditor (163888)  
Holder of Current Public Practice Certificate  
Approved Auditor (FWC Act and Regulations)

Dated 17/5/16



8 December 2016

Mr David Castledine  
Chief Executive Officer  
Civil Contractors Federation-New South Wales Branch  
Sent via email: [ccfnsw@ccfnsw.com](mailto:ccfnsw@ccfnsw.com)

Dear Mr Castledine,

### **Lodgement of Financial Report - Reminder to lodge**

The Fair Work Commission's (the Commission) records disclose that the financial year of the Civil Contractors Federation-New South Wales Branch (the reporting unit) ended on the 30 June 2016.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). The full report must be lodged with the Commission within 14 days of that meeting.

The Commission encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$54,000 per contravention on the organisation and up to \$10,800 per contravention on an officer whose conduct led to the contravention.

Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au). That is the official email address for electronic lodgements of material related to registered organisations matters.

11 Exhibition Street  
Melbourne VIC 3000  
GPO Box 1994  
Melbourne VIC 3001

Telephone : (03) 8661 7777  
Email : [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)  
Internet : [www.fwc.gov.au](http://www.fwc.gov.au)

Should you seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at [Sam.Gallichio@fwc.gov.au](mailto:Sam.Gallichio@fwc.gov.au).

Yours sincerely,



Sam Gallichio  
Adviser  
Regulatory Compliance Branch



15 July 2016

Mr David Castledine  
Chief Executive Officer  
Civil Contractors Federation-New South Wales Branch  
By email: [ccfnsw@ccfnsw.com](mailto:ccfnsw@ccfnsw.com)

Dear Mr Castledine,

**Re: Lodgement of Financial Report - [FR2016/286]  
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Civil Contractors Federation-New South Wales Branch (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

### **Timelines**

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

### **Fact sheets, guidance notes and model statements**

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

### **Loans, grants and donations: our focus this year**

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au).

11 Exhibition Street  
Melbourne VIC 3000  
GPO Box 1994  
Melbourne VIC 3001

Telephone : (03) 8661 7777  
Email : [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)  
Internet : [www.fwc.gov.au](http://www.fwc.gov.au)

## Civil penalties may apply

**It should be noted that s.268 is a civil penalty provision.** Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

## Contact

Should you wish to seek any clarification in relation to the above, email [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au).

Yours sincerely,

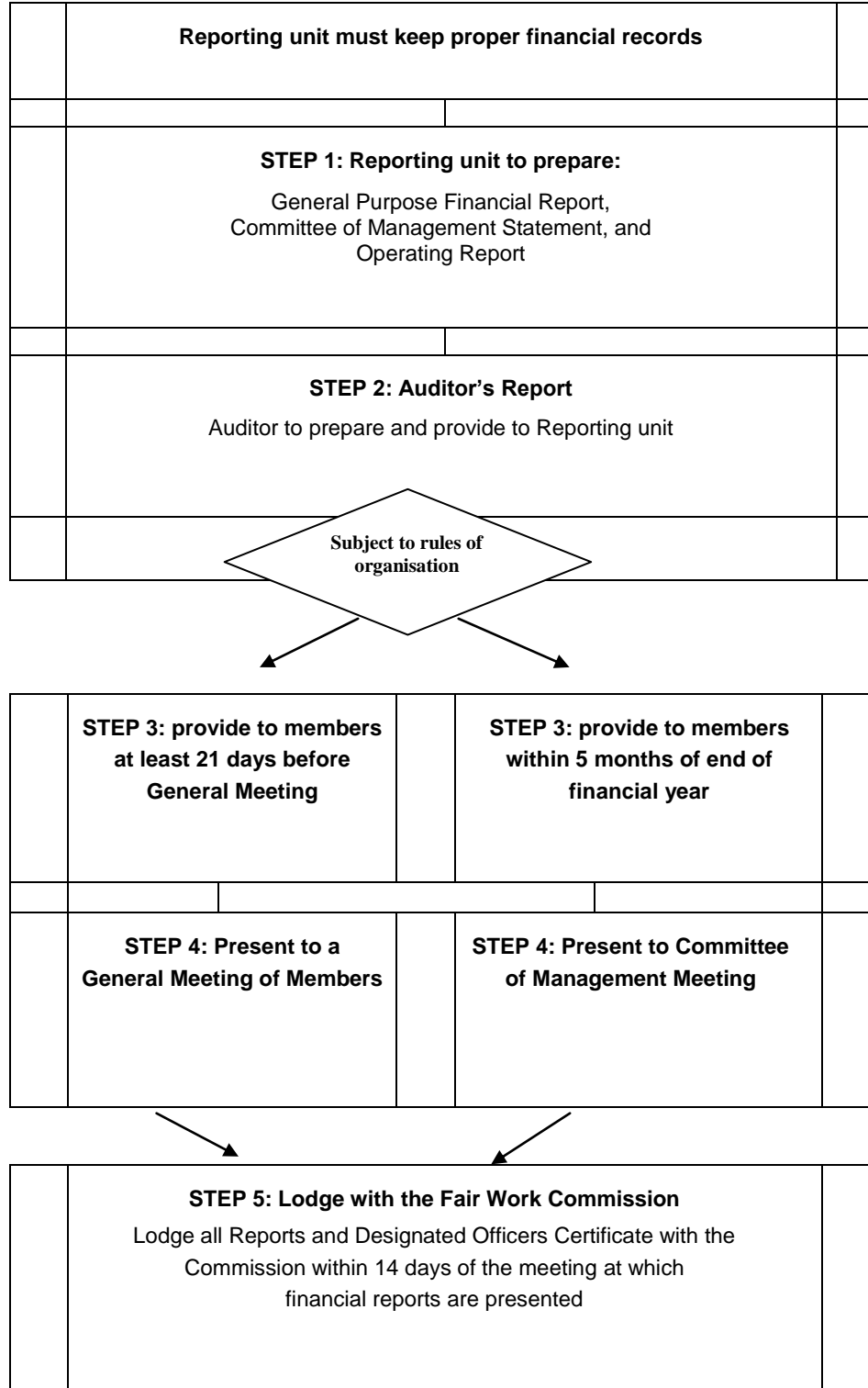


Anastasia Kyriakidis  
Adviser  
Regulatory Compliance Branch

# Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.





# Fact Sheet - Loans, Grants & Donations

## The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

## The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:







- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,\* and
- the arrangements for repaying the loan.\*

\*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

## Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.



## Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

### Note 4E: Grants or donations\*

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

### Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

### Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)