



FAIR WORK
COMMISSION

2 October 2013

Mr Dean Hall
Secretary, Australian Capital Territory Divisional Branch
CFMEU
PO Box 498
DICKSON ACT 2602

Dear Mr Hall

RE: Financial accounts and statements - Construction, Forestry, Mining and Energy Union, Construction and General Division, Australian Capital Territory Branch - for year ending 31 December 2012 (FR2012/540)

I refer to the above financial accounts and statements which were lodged, first on 8 May 2013, then in amended form on 28 June 2013. I have filed the documents.

I have also set out and clarify various disclosures to which I would draw your attention, in the attached table, for reference when preparing next year's financial report.

If you have any questions at any time regarding the reporting requirements, please contact me on (02) 6723 7237.

Yours faithfully,

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

Table of particular requirements

Provision	What it says	Explanation
<p>S254(2)(a)</p> <p>Operating Report</p>	<p>“The operating report must contain a review of the reporting unit’s principal activities during the year, <i>the results of those activities</i> and any significant changes in the nature of those activities during the year”</p>	<p>This is a subtle and overlooked/ misinterpreted element of operating report reviews, and it does not appear that FWC has previously clarified this.</p> <p>Though results are sometimes expressed as an operating financial profit or loss, more correctly, the results envisaged by the Act here are those which reflect the activities described. The ‘principal activities’ have been described and have not changed but there should be some indication that results have been reviewed.</p> <p>There is no prescribed degree of detail; a brief statement that the activities have achieved their objectives would suffice, although the Branch may choose to identify particular results it regards as significant.</p>
<p>S252(4)</p> <p>S253(1)</p> <p>AASB 101 (27)</p>	<p>“...an organisation....may keep the financial records for its membership subscriptions separately on a cash basis”</p> <p>“...a reporting unit must cause a general purpose financial report to be prepared, in accordance with the Australian Accounting Standards....”</p> <p>“An entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting”.</p>	<p>Read carefully, in conjunction with the Accounting Standards, the Act makes a distinction between (i) keeping records and (ii) preparing reports.</p> <p>So, even if membership contributions records are kept through the year on a cash basis, as permitted by section 252(4), contributions must be reported at end of year on an accrual basis.</p> <p>Your Note 1 states that “...<i>the financial report has been prepared on an accruals basis....</i>”.</p> <p>This is correct and complies with s253(1) and AASB 101.</p> <p>Note 1(j) states that “<i>revenue from membership fees is recognised when individual members become financial and pay their membership fees</i>”.</p> <p>This is permissible under s252(4) if this means that membership subscriptions are kept on a cash basis (but reported on an accruals basis).</p>
<p>S272 RO Act</p>	<p>“Information to be provided to members or General Manager”</p> <p><i>(5) [Notice in reports] 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 <u>setting out those subsections.</u></i></p>	<p>This notice, consisting of the wording of subsections 1, 2 and 3 must be included in the Branch’s financial reports. Its omission has not previously been noted by FWC.</p>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH**

ABN 38 491 952 173

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2012**

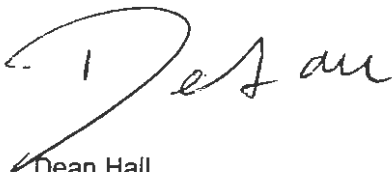
**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

CERTIFICATE OF SECRETARY

S268 of Fair Work (Registered Organisations) Act 2009

I, Dean Hall being the Branch Secretary of the Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch certify:

- that the documents lodged herewith are copies of the full report referred to in S268 of Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members on 27 February 2013; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 23 April 2013, in accordance with section 266 of Fair Work (Registered Organisations) Act 2009.



Dean Hall
Branch Secretary
CFMEU
Construction and General Division
ACT Branch

Dated this 24th day of April 2013
at Canberra, Australian Capital Territory

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 the Committee of Management present their Operating Report on the Construction Forestry Mining and Energy Union, Construction and General – ACT Branch, the relevant reporting unit, for the financial year ended 31 December 2012.

Principal Activities

CFMEU, Construction & General Division – ACT Branch (“reporting unit”) is committed to advancing the wages, conditions, and wellbeing of its membership.

The reporting unit's principal activities during the year were:

- Representation of members on the job.
- Union-negotiated collective agreements.
- Assisting members with legal representation.
- Facilitating access to training courses.
- Informing members through the regular newsletter.
- Sale of products to union members.
- Investment of union funds.

The operating profit of the reporting unit for the year ended 31 December 2012 is \$6,051 (2011: loss \$151,132).

Significant changes

There were no significant changes in the nature of the reporting unit's activities during the year.

Members rights to resign

Members may resign from the Union in accordance with Section 174 of the Fair Work Act, which reads as follows:

- 1) A member of the Union may resign from membership by written notice addressed and delivered to the Secretary of the Branch of which he is a member.
- 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 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; Which ever is later; or
 - b) In any other case:
 - i) At the end of two (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 mentioned in subsection (1) shall be 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).

A resignation from membership of the Union is valid even if it is not affected in accordance with the rule if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.

Officers as Trustees

No officer of the reporting unit is a trustee.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

OPERATING REPORT (CONT)

Prescribed Information

- (a) the number of persons that were, at 31st December 2012, 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 was 4,303 (2011: 3,883);
- (b) the number of persons who were, at 31st December 2012, employees of the reporting unit, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis was 13 employees (2011: 12 employees);
- (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 year ended 31st December 2012, and the period for which he or she held such a position is:

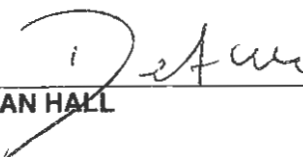
NAME	PERIOD
Dean Hall	Full year
Rod Driver	Full year
Max Harmer	Full year
Jason O'Mara	Full year
Mark Dymock	Full year
Jack Broaderick	Full year
Eddy Hewitt	Full year
Leon Arnold	Full year
Des Marland	Full year
Halafihi Kivalu	Full year
Jason Jennings	Full year
Trevor Scott	Full year
Nikola Vukelic	Full year
Cameron Hardy	Full year
Matt McIntyre	Full year
Jeff Polsen	Full year

Other Information

There is no other information that the reporting unit considers is relevant.

For and on behalf of the Committee of Management:

Dated at Canberra, Australian Capital Territory this 26th day of February 2013.


DEAN HALL

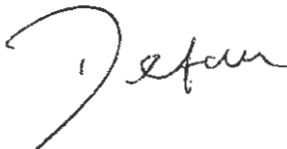

JASON O'MARA

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

ACCOUNTING OFFICER'S CERTIFICATE

I, Dean Hall, being the officer responsible for keeping the accounting records of the Construction Forestry Mining and Energy Union – Construction and General Division – ACT Branch, hereby certify that as at 31st December 2012 the number of members of the Branch was 4,303 and that in relation to the 2012 financial year, in my opinion;

- (a) the accounts annexed hereto show a true and fair view of the financial affairs of the Branch as at the end of the financial year;
- (b) a record has been kept of all monies paid by, or collected from, members of the Branch, and all monies so paid or collected have been credited to the bank account to which these monies are to be credited in accordance with the rules of the Branch;
- (c) before any expenditure was incurred by the Branch, approval for the incurring of the expenditure was obtained in accordance with the rules of the Branch;
- (d) as to funds of the Branch raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of such funds other than for the purposes for which the fund was created;
- (e) all loans or other financial benefits granted to persons holding office in the Branch were authorised in accordance with the rules of the Branch; and
- (f) the register of members of the Branch was maintained in accordance with the Act.



DEAN HALL

Dated at Canberra, Australian Capital Territory this 26th day of February 2013

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND GENERAL DIVISION- (ACT BRANCH)

We have audited the accompanying financial report of Construction Forestry Mining and Energy Union Construction and General Division - ACT Branch ("the union"), which comprises the balance sheet as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Committee of Management Statement.

Committee's Responsibility for the Financial Report

The Committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009, and for such internal control as the Committee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of the Construction Forestry Mining and Energy Union Construction and General Division - ACT Branch as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009.

RSM Bird Cameron



G M STENHOUSE
Director

Canberra, Australian Capital Territory
Dated: 26 February 2013

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

COMMITTEE OF MANAGEMENT STATEMENT


On the 26th February 2013 the Committee of Management of the Construction Forestry Mining and Energy Union, Construction and General Division – ACT Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2012:

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


- 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 for the purposes of section 270 of the Fair Work (Registered Organisations) Act 2009;
- c) the financial statements and notes give a true and fair view of the income and expenses, balance sheet, changes in equity 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 when they become due and payable;
- e) during the 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 the 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 the 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;
 - iv) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or Registrar; and
 - v) 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.
- f) no recovery of wages activities undertaken by the reporting unit resulted in any revenues or receipts paid or payable to the reporting unit. All recovered wages were paid directly to reporting unit members by relevant employers.

For Committee of Management:

Dated at Canberra, Australian Capital Territory this 26th day of February 2013.



Dean Hall



Jason O'Mara

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
Revenue from ordinary activities	2	2,225,852	1,678,493
Depreciation and amortisation expense	3	(42,291)	(44,948)
Employee benefits expense	3	(1,402,314)	(1,174,600)
Donations expense		(72,684)	(43,354)
Administrative expense		(702,512)	(566,723)
		<hr/>	<hr/>
Net profit / (loss) attributable to members of the Union		6,051	(151,132)
		<hr/>	<hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income/(loss) attributable to members of the Union		<u>6,051</u>	<u>(151,132)</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	5	1,279,316	868,623
Others		36,806	30,668
TOTAL CURRENT ASSETS		<u>1,316,122</u>	<u>899,291</u>
NON-CURRENT ASSETS			
Trade and other receivables	6	-	322,157
Financial Assets	7	2,214	1,471
Property, plant and equipment	8	183,055	141,107
TOTAL NON-CURRENT ASSETS		<u>185,269</u>	<u>464,735</u>
TOTAL ASSETS		<u>1,501,391</u>	<u>1,364,026</u>
CURRENT LIABILITIES			
Trade and other payables	9	126,840	98,328
Provisions	10	256,269	157,084
Borrowings	11	85,000	42,142
TOTAL CURRENT LIABILITIES		<u>468,109</u>	<u>297,554</u>
NON-CURRENT LIABILITIES			
Provisions	10	37,585	46,826
Borrowings	11	-	30,000
TOTAL NON-CURRENT LIABILITIES		<u>37,585</u>	<u>76,826</u>
TOTAL LIABILITIES		<u>505,694</u>	<u>374,380</u>
NET ASSETS		<u>995,697</u>	<u>989,646</u>
EQUITY			
Retained profits		<u>995,697</u>	<u>989,646</u>
TOTAL EQUITY		<u>995,697</u>	<u>989,646</u>

The accompanying notes form part of these financial statements.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2012

	Retained Earnings \$	Total \$
Balance at 31 December 2010	<u>1,140,778</u>	<u>1,140,778</u>
Loss attributable to the entity	(151,132)	(151,132)
Balance as at 31 December 2011	<u>989,646</u>	<u>989,646</u>
Profit attributable to the entity	6,051	6,051
Balance as at 31 December 2012	<u>995,697</u>	<u>995,697</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from members' subscriptions		939,298	826,096
Cash Receipts from Customers		240,325	528,424
Cash payments to suppliers and employees		(2,065,969)	(1,816,737)
Interest received		51,978	41,423
Donations received		952,871	322,298
Payment of affiliation fees, capitation fees and dispute levies		(103,586)	(62,068)
Other Revenue		145,000	285,604
		<hr/>	<hr/>
Net cash generated from operating activities	12	159,917	125,040
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for Property, Plant and Equipment		(84,239)	(14,090)
Net cash provided by investing activities		(84,239)	(14,090)
CASH FLOW FROM FINANCING ACTIVITIES			
Net proceeds from borrowings		55,000	-
Loans repaid from related parties		322,157	-
Repayment of borrowings		(42,142)	(38,944)
Net cash provided by financing activities		335,015	(38,944)
		<hr/>	<hr/>
Net increase in cash held		410,693	72,007
		<hr/>	<hr/>
Cash at beginning of the financial year		868,623	796,813
		<hr/>	<hr/>
Cash at the end of the financial year	5	1,279,316	868,623

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report covers the Construction Forestry Mining and Energy Union, Construction and General Division – ACT Branch (the Union) as an individual entity. The Union is an unincorporated entity.

The following is a summary of material accounting policies adopted in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a) Income Tax

The Union is exempt from income tax under the provisions of Section 50-5 of the *Income Tax Assessment Act 1997*.

b) Property, Plant and Equipment

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

Property

Leasehold buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

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 directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increase of the same asset are charged against fair value reserves directly in equity, all other decrease are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Depreciation

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

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

<i>Class of asset</i>	<i>Depreciation rate</i>
Office Equipment	12.5-66%
Motor Vehicles	25%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

c) Leases

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

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

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 under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

d) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transactions costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated hedges. Realised and unrealised gains or losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

d) **Financial Instruments (cont)**

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Impairment

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

e) **Impairment of Assets**

At each reporting date, the Union reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f) **Investments in Associates**

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the Union's share of post acquisition reserves of its associates.

Associated entities are those that the Committee of Management have determined that the Union has significant influence, but not controlling interest, by means of the level of equity held and the relationship to the Union and the Committee of Management members. There are currently no Investments in Associates.

g) **Employee Benefits**

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, and annual leave which will be settled after one year, have been measured at their nominal amount, plus any related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

h) **Provisions**

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

i) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

j) **Revenue**

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

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

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

j) Revenue (cont)

Revenue from the rendering of a service is recognised upon the delivery of the service to the members and customers.

Revenue from membership fees is recognised when individual members become financial and pay their membership fees.

Revenue from Trusts is recognised at the end of the Trust reporting period and may include early distributions where appropriate.

All revenue is stated net of the amount of goods and services tax (GST).

k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

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

l) Comparative figures

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

m) Critical accounting estimates and judgements

The Committee evaluate estimates and judgements 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 Union.

Key estimates – Impairment

The Union assesses impairment at each reporting date by evaluating conditions specific to the Union 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.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	\$	\$
NOTE 2 – REVENUE		
Operating revenue:		
Membership subscriptions	859,487	826,096
Donations received	952,871	322,298
Sitting fees	24,724	22,339
Counselling Income	18,333	86,364
Advertising Income	101,955	5,509
EBA Lodgement Income	21,091	23,273
Grant Income	-	75,531
Sundry income	50,413	17,523
	<u>2,028,874</u>	<u>1,378,933</u>
Other income:		
Profits from trusts	145,000	258,136
Interest	51,978	41,424
	<u>196,978</u>	<u>299,560</u>
Total Revenue	<u>2,225,852</u>	<u>1,678,493</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	\$	\$
NOTE 3 – PROFIT FROM ORDINARY ACTIVITIES		
Profit has been determined after:		
(a) Expenses		
Depreciation of property, plant and equipment	42,291	44,948
Employee Benefits		
- Salaries, wages and superannuation – office holders	363,808	342,198
- Salaries, wages and superannuation – employees	1,053,020	832,402
	1,416,828	1,174,600

Office holders receive honorariums for positions they hold with other entities. The amounts received are contributed back to the Union and are recorded as Sitting Fees in Revenue (Note 2).

(b) Significant Revenue and Expenses

The following significant revenue and expense items are relevant in explaining the financial performance:

Donations paid or payable	72,684	43,354
Printing & Stationery	79,687	10,724
Membership fees	8,539	13,871
Capitation fees	97,785	61,167
Travelling expenses	76,753	61,167
Motor Vehicles Expenses	99,713	73,370

NOTE 4 – REMUNERATION OF AUDITOR

	2012	2011
	\$	\$
Total amounts received and receivable by the auditors of the Union for Audit of the Union's financial report	18,000	25,000
	18,000	25,000

NOTE 5 – CASH AND CASH EQUIVALENTS

Cash on hand	1,400	1,300
Cash at bank	1,277,916	867,323
	1,279,316	868,623

The effective interest rate on cash at bank was 4.5% (2011: 0.8%)

Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

	2012	2011
	\$	\$
Cash assets and cash equivalents	1,279,316	868,623

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	\$	\$
NOTE 6 – TRADE AND OTHER RECEIVABLES NON CURRENT		
Loan to Creative Safety Initiatives Trust	-	258,136
Loan to Amcor Building Trust	-	64,021
	<u>-</u>	<u>322,157</u>
NOTE 7 – FINANCIAL ASSETS		
Shares in listed corporations - available for sale	2,214	1,471
	<u>2,214</u>	<u>1,471</u>
NOTE 8 - PROPERTY, PLANT AND EQUIPMENT		
	2012	2011
	\$	\$
Office Equipment - at cost	32,938	27,188
Less accumulated depreciation	(16,380)	(13,433)
	<u>16,558</u>	<u>13,755</u>
Motor Vehicles – at cost	263,615	185,125
Less accumulated depreciation	(97,118)	(57,773)
	<u>166,497</u>	<u>127,352</u>
Total Property, Plant and Equipment	<u>183,055</u>	<u>141,107</u>

Movements in carrying amounts

Movement in the carrying amounts for property, plant and equipment between the beginning and the end of the current financial year.

	Motor Vehicles	Office Equipment	Total
	\$	\$	\$
Balance at the beginning of the period	127,352	13,755	141,107
Additions	78,490	5,750	84,240
Disposals	-	-	-
Depreciation expense	(39,345)	(2,947)	(42,292)
Depreciation write-back on disposal	-	-	-
	<u>166,497</u>	<u>16,558</u>	<u>183,055</u>
Carrying amount at the end of the period			

	2012	2011
	\$	\$
NOTE 9 – TRADE AND OTHER PAYABLES CURRENT		
Trade creditors	663	57,403
Accrued expenses	126,177	40,925
	<u>126,840</u>	<u>98,328</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Employee Entitlements \$	Total \$
NOTE 10 - PROVISIONS		
Opening balance at 1 January 2012	203,910	203,910
Net provision movement during year	89,944	89,944
Balance at 31 December 2012	<u>293,854</u>	<u>293,854</u>
	2012 \$	2011 \$
Current	256,269	157,084
Non-Current	37,585	46,826
	<u>293,854</u>	<u>203,910</u>

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The recognition criteria for employee benefits has been included in Note 1.

NOTE 11 – BORROWINGS

Hire Purchase Agreements

Current	30,000	42,142
Non-Current	-	30,000
Loan from Creative Safety Initiatives	55,000	-
	<u>85,000</u>	<u>72,142</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

NOTE 12 - CASH FLOW INFORMATION

(a) Reconciliation of Cash Flows from Operations with Profit

	2012	2011
	\$	\$
Profit/(Loss) for the year	6,051	(151,132)
Non-cash flows in profit:		
Depreciation and amortisation	42,291	44,948
Unrealised gain on Investments	(743)	-
Dividends received (DRP)	-	(72)
Changes in operating assets and liabilities:		
(Increase)/Decrease in receivables	(6,138)	411,240
(Increase)/Decrease in other assets	(4,945)	15,100
Increase/(Decrease) in payables	32,333	(213,322)
Increase/(Decrease) in employee provisions	91,068	18,278
Cash flows from operations	159,917	125,040

(b) Non-cash Financing and Investing Activities

There were no non-cash financing or investing activities during the period.

(c) Credit Stand by Arrangement and Loan Facilities

The Union has no credit stand-by or financing facilities in place.

NOTE 13 – EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events after the balance sheet date.

NOTE 14 – RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Sitting fees for Office Holders

	2012	2011
	\$	\$
ACT Construction Industry Long Service Leave Board	1,705	2,650
ACIRT	13,935	14,223
Construction Charitable Works Limited	-	2,880
Membership	9,084	2,586
	24,724	22,339

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

NOTE 15 – ECONOMIC DEPENDENCY

The continuing operation of the Union is dependent upon the financial support by the Canberra Tradesmen’s Union Club to the CFMEU ACT Branch. The previous support from Canberra Tradesmen’s Union Club included financial support totalling \$952,871 for the year ended 31 December 2012.

NOTE 16 - FINANCIAL RISK MANAGEMENT

The union’s financial instruments consist mainly of deposits with bank, short term investments, accounts receivable and accounts payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	NOTE	2012 \$	2011 \$
Financial Assets			
Cash and cash equivalents	5	1,279,316	868,623
Available for sale financial assets			
– Shares in listed corporations	7	2,214	1,471
Loans to related parties	6	-	322,157
		1,281,530	1,192,251
Financial Liabilities			
Financial liabilities at amortised cost			
– Trade and other payables	9	126,840	98,328
Loans from related parties (CSI Trust)	11	55,000	-
		181,840	98,328

Financial Risk Management Policies

Consisting of senior committee members, the finance and investment committee's overall risk management strategy seeks to assist the union in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

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

a. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

NOTE 16 – FINANCIAL RISK MANAGEMENT (CONT)

b. Liquidity risk

Liquidity risk arises from the possibility that the union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The union manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing only in surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Note	Within 1 Year		1 to 5 Years		Total contractual cash flow	
		2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$
Financial liabilities due for payment							
Trade and other payables (excluding estimated annual leave and deferred income)	9	126,840	98,328	-	-	126,840	98,328
Borrowings	11	85,000	42,142	-	30,000	85,000	72,142
		211,840	140,470	-	30,000	211,840	170,470
Total expected outflows							
Financial assets — cash flows realisable							
Cash and cash equivalents	5	1,279,316	868,623	-	-	1,279,316	868,623
Trade, term and loans receivables	6	-	322,157	-	-	-	322,157

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

NOTE 16 – FINANCIAL RISK MANAGEMENT (CONT)

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments which are carried at amortised cost are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the company.

	Footnote	2012		2011	
		Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	1,279,316	1,279,316	868,623	868,623
Trade and other receivables	(i)	-	-	-	-
Loans receivable	(i)	-	-	322,157	322,157
Investments – available-for-sale	(ii)	2,214	2,214	1,471	1,471
Total financial assets		1,281,530	1,281,530	1,192,251	1,192,251
Financial liabilities					
Trade and other payables	(i)	126,840	126,840	98,328	98,328
Loans payable	(i)	85,000	85,000	72,142	72,142
Total financial liabilities		211,840	211,840	170,470	170,470

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for relating to annual leave and deferred income which is not considered a financial instrument.
- (ii) For listed available-for-sale financial assets, closing quoted bid prices at reporting date are used.
- (iii) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate lease liability will differ to the carrying values.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

NOTE 16 – FINANCIAL RISK MANAGEMENT (CONT)

Sensitivity Analysis

The following table illustrates sensitivities to the union's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Financial Assets	
	Profit	Equity
	\$	\$
Year Ended 31 December 2012		
+/- 2% in interest rates	25,586	25,586
+/- 10% in listed investments	221	221
Year Ended 31 December 2011		
+/- 2% in interest rates	17,371	17,371
+/- 10% in listed investments	146	146

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

No sensitivity analysis has been performed on foreign exchange risk, as the union is not exposed to foreign currency fluctuations.

NOTE 17 – CAPITAL MANAGEMENT

Management control the capital of the union to ensure that adequate cash flows are generated to fund its operations and that returns from investments are maximised. Management ensures that the overall risk management strategy is in line with this objective.

Management operates under policies approved by the Committee of Management. Risk management policies are approved and reviewed by the Committee on a regular basis. These include credit risk policies and future cash flow requirements.

There have been no changes to the strategy adopted by management to control the capital of the union since previous year.

NOTE 18 – CONTINGENT LIABILITIES

As at balance date the Union has no known contingent liabilities.

NOTE 19 – COMMITMENTS

	2012	2011
	\$	\$
Hire Purchase Liability		
Payable – minimum lease payments		
- not later than 12 months	30,897	46,346
- between 12 months but not later than 5 years		30,897
- greater than 5 years		-
Less future finance charges	(897)	(5,101)
	<u>30,000</u>	<u>72,142</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

NOTE 20 – UNION DETAILS

The registered office of the union is:

2 Badham Street
Dickson ACT 2602

AUDITOR'S DISCLAIMER

The additional financial data presented in the following pages is in accordance with the books and records of the Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch (CFMEU) which have been subjected to the auditing procedures applied in our audit of the CFMEU for the year ended 31 December 2012. It will be appreciated that our audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person, (other than to the CFMEU), in respect of such data, including any errors or omissions therein however caused.

RSM Bird Cameron



G M STENHOUSE
Director

Canberra, Australian Capital Territory
Dated: 26 February 2013

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	\$	\$
Revenue		
Membership subscriptions	859,487	826,096
Grant Income	-	75,532
Donations received	952,871	322,298
Sitting fees	24,724	22,339
EBA Lodgement Income	21,091	23,273
JLT Income	27,471	16,710
Management Fee Income	-	-
Sundry income	22,943	322
Interest received	51,978	41,423
Counselling Income	18,333	86,364
Advertising	101,955	5,509
Training income	-	491
Profit on Sale of Assets	-	-
Profits from trusts	145,000	258,136
Total Revenue	<u>2,225,852</u>	<u>1,678,493</u>
Expenditure		
Membership fees	8,539	13,871
Audit and accounting fees	19,491	33,175
ACIRT	39,320	34,285
Advertising and promotion costs	35,814	16,014
Bank charges	8,452	7,206
Bad Debts expense	-	-
Capitation fees – National Office	97,785	63,165
Loss on sale of investments	-	-
Catering	2,643	19,274
CITEA rent	18,333	18,182
CSI – OH&S services	6,401	12,725
Depreciation	42,291	44,948
Donations	72,684	43,354
Fines and Penalties	180	9,209
Fringe Benefits Tax	14,514	2,698
Grant expenses	-	4,855
Interest	256	7,347
Insurance	17,760	22,450
Publications	21,316	20,448
Legal costs	1,647	27,261
Meeting expenses	14,555	220
Affiliation fees	26,693	901
Motor vehicle expenses	99,713	73,370
Payroll tax	19,669	(205)
Postage, printing and stationery	89,234	18,603
Political payments	79,655	31,240
Protective clothing	6,514	8,081
Salaries and wages – office holders & employees	1,236,328	1,039,233
Subscriptions	1,210	718
Sundry expenses	1,953	4,634
Superannuation contributions	102,900	98,589
Telephone	24,666	32,469
Training	7,968	24,318
Travelling & accommodation expenses	76,753	60,320
Workers compensation	4,097	-
Computer expenses	14,674	14,194
Repair and maintenance	6,748	589
Office expenses	6,045	6,106
Trainee expenses	-	15,778
Total Expenditure	<u>2,219,801</u>	<u>1,829,625</u>
Operating Profit / (Loss)	<u>6,051</u>	<u>(151,132)</u>



FAIR WORK
COMMISSION

18 January 2013

Mr Dean Hall
Branch Secretary/Treasurer
Construction, Forestry, Mining and Energy Union-Construction and General Division, Australian
Capital Territory Divisional Branch
Sent by fax: (02) 6249 1247

Dear Mr Hall,

Re: Lodgement of Financial Report - [FR2012/540]

Fair Work (Registered Organisations) Act 2009 (the RO Act)

The financial year of the Construction, Forestry, Mining and Energy Union-Construction and General Division, Australian Capital Territory Divisional Branch (the reporting unit) ended on 31 December 2012.

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, namely 15 July 2013 (that is the period within 6 months and 14 days of the end of the financial year) under s.268 of the RO Act.

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 regarding financial reporting under the RO Act are provided on the Fair Work Commission website at: [Financial Reporting Fact Sheets](#).

The documents can be emailed to orgs@fwc.gov.au . If it is envisaged that the financial report cannot be lodged by the due date you are requested to contact this office prior to the due date to discuss the issue.

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 \$33,000 for a body corporate and \$6,600 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at robert.pfeiffer@fwc.gov.au.

Yours sincerely,

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /	As soon as practicable after end of financial year
(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).		
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	Within a reasonable time of having received the GPFR (NB: Auditor's report must be dated on or after date of Committee of Management Statement)
Provide full report free of charge to members – s265 The full report includes: <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting, or (b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.