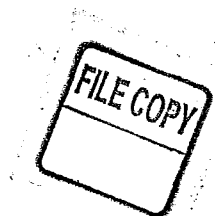




FAIR WORK
AUSTRALIA

23 April 2012

Mr Anthony Benson
Secretary, Tasmanian Construction and General Divisional Branch
Construction, Forestry, Mining and Energy Union
33A New Town Road
NEW TOWN TAS 7008



Dear Mr Benson

Lodgment of Financial Accounts and Statements - Construction, Forestry, Mining and Energy Union, Construction and General Division, Tasmanian Branch (FR2011/2845)

Thank you for lodging the abovementioned financial accounts and statements which were received by Fair Work Australia on 3 April 2012.

The documents have been filed. However I draw your attention to the following areas where issues of strict compliance with the *Fair Work (Registered Organisations) Act 2009* ('the Act') or the Reporting Guidelines ('the Guidelines') are raised.

No separate balances

The Income and Expenditure Statement shows an amount of \$28,707 for "Affiliation & Capitation".

It is not clear on the face of this whether the amount disclosed represents the sum of both items and if so, in which proportion, or whether it relates to one item only. Paragraph 11 of the Guidelines requires separate balances for (i) the amount paid to another reporting unit as a contribution towards its administrative expenses; and (ii) any fees etc in respect of its affiliation with external bodies. In addition, where an amount is paid to another reporting unit, the name of the reporting unit must be disclosed.

I acknowledge that the Branch has itemized its Income and Expenditure statement with respect to these items in a consistent manner since the introduction of the Guidelines since 2003 and this should have been brought to your attention previously. However I would ask that future reports reflect separate itemization for "Affiliation" and "Capitation", and that the name of the recipient reporting unit be described.

No separate Changes in Equity Statement

The entries relating to changes in Equity were itemized on the Income and Expenditure Statement. This is consistent with previous reports lodged for several years.

However, though it appears on the face to be an issue of form rather than content, section 253(2)(a)(iv) of the Act requires a general purpose financial report to include any statements required by the Australian Accounting Standards. Paragraph 10(c) of AASB 101 as at 1 December 2011 provides that a complete set of financial statements must include a statement of changes in equity for the period, and paragraph 11 provides that “(A)n entity shall present with equal prominence all of the financial statements in a complete set of financial statements”.

This means that the Changes in Equity should be set out in a separate Statement like the other Statements, and I would ask that you do so in next year’s report.

Committee Declaration omitted

The Committee of Management Statement omitted one of the declarations prescribed by paragraph 25(e) of the Guidelines. That declaration is that *(vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.*

I note that previous Committee of Management Statements also omitted this declaration, and I should have brought this to your attention earlier.

However it is possible that the omission has occurred because during the relevant financial years there was no order for inspection under section 273. Accordingly, I have taken the opportunity to consult with colleagues how the Guidelines should be interpreted where declarations are concerned.

Fair Work Australia’s view is that the Committee of Management Statement must include declarations in respect of each and every matter specified in paragraph 25 of the Guidelines. This is because each of the matters is an important aspect of responsible financial management relevant to registered organizations under the Act.

However, it makes little sense to declare that there has been compliance with orders made under section 273 if no orders have been made. Rather, the declaration should be worded to correspond with the facts. If an order has been made, the declaration should declare whether there was compliance with it. If an order was not made, the declaration should declare that there was no order made.

This will show that the Branch has considered the matter and made a statement about it. The same approach applies to the other prescribed declarations. I would request that future Committee of Management Statements should reflect this.

References to RAO Schedule

Throughout the report, including the auditor’s report, appear reference to “the RAO Schedule”. As the Fair Work (Registered Organisations) Act replaced the RAO Schedule in July 2009, future reports should now make reference to the equivalent sections of the new Act. As the numbering is the same, this should not present any difficulty.

Employees measured on full-time equivalent basis

The Operating report disclosed that there were “5 salaried employees, plus one paid by honorarium”. Regulation 159(b) requires the report to state the number of employees, both full-time and part-time, as “measured on a full-time equivalent basis”. It is not clear what the 5 employees plus one amounts to in full-time terms. This should be reflected in future reports.

Donations

The Income and Expenditure Statement shows an amount of \$3,000 for "Donations Over \$1,000". Section 237 of the *Fair Work (Registered Organisations) Act 2009* requires a separate statement showing the prescribed particulars of any grants or donations exceeding \$1,000 to be lodged within 90 days of the end of the financial year. The prescribed particulars are:

(a) the amount; (b) the purpose for which the grant or donation was made; (c) the name and address of the person to whom the grant or donation was made except where the grant or donation was made to relieve a member of the branch or a dependant of such member from severe financial hardship.

If this figure included any donation exceeding \$1,000, you should lodge a Statement under s237 in respect of the item(s) encompassed by the above amount at your earliest opportunity.

I appreciate that these particular matters have not previously been brought to your attention, however future reports should comply in the areas I have highlighted. If you need at any time to discuss any aspect of financial reporting requirements under the Act or have any query, please feel welcome to contact me on (02) 6723 7097 at any time.

Yours sincerely,



Stephen Kellett
Organisations, Research and Advice Branch

FR 2011/2845



**CFMEU Construction &
General Division (Tasmanian
Divisional Branch)**
Financial Statements
For the year ended 31 December, 2011

CFMEU Construction & General Division (Tasmanian Divisional Branch)

Contents

Certificate by State Secretary

Operating Report

Committee of Managements' Statement

Independent Audit Report to the Members

Detailed Income and Expenditure Statement

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

CFMEU Construction & General Division (Tasmanian Divisional Branch)

Certificate by State Secretary

For the year ended 31 December, 2011

Certificate by State Secretary

I Anthony Ross Benson being the Secretary of the Construction, Forestry, Mining and Energy Union, Construction and General Division, Tasmania Divisional Branch certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- that the full report was presented to members on the branch's website on the week ending 24th February 2012; and
- that the full report will be presented to a meeting of the committee of management of the reporting unit at the 2nd meeting on the 20th March 2012; in accordance with section 266 of the RAO schedule.



Date 24th March 2012

CFMEU Construction & General Division -Tasmanian Branch.

CFMEU Construction & General Division (Tasmanian Divisional Branch)

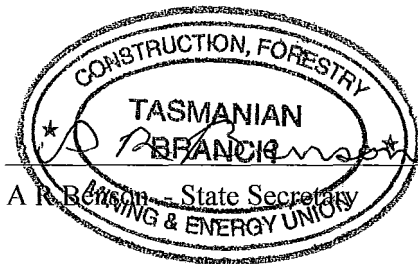
Committee of Management Statement

For the year ended 31 December, 2011

On 21st February 2012 the Committee of Management of CFMEU - Construction and General Division (Tasmanian Divisional Branch) passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31st December 2011: 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;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of year:
 - (i) meetings of committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO schedule and the RAO Regulations;
 - (iv) the financial records of the reporting unit have have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit duly made under section 272 of the RAO schedule has been furnished to the member.

Signed for the Committee of Management



Date: 21st February 2012

CFMEU Construction & General Division (Tasmanian Divisional Branch)

Operating Report

For the year ended 31 December, 2011

Your Committee of Management submit the financial accounts of the CFMEU Construction & General Division Tasmanian Divisional Branch (the Union) for the financial year ended 31 December, 2011.

Committee Members

The names of committee members during the financial year are (unless otherwise stated held office for the full year): W.White, M.Huxley, D.Cracknell (President), D.Post, J Morgan, M.Norris, M.Van De Kamp, P.Ridgeway, P.Rainey, P.McCarthy, K. Spouse, R.Smedley, S.Hevey, T.Jenkins, T.Benson (Secretary), N. Williamson and T.Jones.

Principal Activities

The principal activities of the Union during the financial year were: implementation of Divisional Executive Decisions, maintenance of Union Rules, Registrations and Affiliations, co-ordinating seminars and courses for Branch Officers to inform them of current relevant developments, representing the Divisions interest on various state and national committees and organisations, and the provision of member support with industrial and related issues.

There were 765 financial members, and 5 salaried employees, plus one paid by honorarium as at 31 December 2011.

Significant Changes in Activities and Financial Position


The Tasmanian union branch's total income was stable during the year but an increase in costs over 2010 of about \$20,000 was experienced. This increase mainly related to wage and printing cost increases. On a pleasing note, CBus superannuation fund retained its advertising and promotion payments to the union of \$22,727.

Overall the branch recorded a small surplus of \$841 in 2011 compared to a surplus of \$20,132 in 2010.

Rights of Members to Resign

All members of the Union have the right to resign in accordance with Rule 11 of the Union Rules (National) and s174 of the RAO Schedule.

Signed in accordance with a resolution of the Members of the Committee on 21st February 2012.


Secretary (T. Benson)

CFMEU Construction & General Division (Tasmanian Divisional Branch)
Independent Audit Report

Scope

I have audited and inspected the accounting records kept by the Construction, Forestry, Mining & Energy Union, Construction & General Division, Tasmanian Divisional Branch in respect of the year ended 31 December 2011, and have received all the information and explanations for the purposes of my audit.


In my opinion:

1. There were kept by the union in respect of the year under review, satisfactory records detailing the sources and nature of income of the Union (including income from members) and the nature and purposes of expenditure in accordance with s252 of the RAO schedule, and
2. The attached general purpose financial report has been prepared in accordance with s253 of the RAO schedule. The accounts set out on the accompanying pages have been prepared from the accounting records of the Union Branch and are properly drawn up so as to give a true and fair view of:
 - (a) the financial affairs of the Union as at 31 December 2011; and
 - (b) the Income and Expenditure and surplus of the Union for the year ended on that date.

Audit opinion

In my opinion, the financial report presents fairly, in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of CFMEU Construction & General Division (Tasmanian Divisional Branch) as at 31 December, 2011 and the results of its operations for the year then ended.

Signed on : 24th February 2012



M C Watts (BBus CPA)
429 Elizabeth Street, North Hobart. TAS 7000.

CFMEU Construction And General Division (Tasmanian Divisional Branch)
Income and Expenditure Statement
For the year ended 31 December 2011

	2011 \$	2010 \$
Income		
Administration & Directors Fees	31,469	25,890
Member Contributions	289,509	278,172
Training Fees	16,145	25,237
Sundry Income	2,120	6,406
Advertising & Promotion Income	22,727	25,000
Insurance recoveries	1,285	-
Interest received	9,390	8,166
Loss On Disposal Of Vehicle	(2,240)	-
Total income	370,405	368,871
Expenses		
Advertising and promotion	319	2,510
Affiliation & Capitation	28,707	29,544
Accountancy & Audit fees	3,000	3,000
Bank Fees And Charges	2,301	2,085
Computer Software	821	450
Depreciation - M/V & Eq.	9,870	9,340
Donations - Non-Political	1,364	1,050
Donations Over \$1,000	3,000	5,000
Electricity	3,567	2,777
Xmas And Member Events	2,872	2,812
Fees & charges	1,726	51
Fringe benefits tax	3,084	2,361
Honorariums	8,148	7,792
Insurance	8,102	8,426
Legal Fees	350	-
Redundancy And Leave Expenses	10,000	10,000
Meeting & Executive Expenses	4,266	2,084
M/V - car expenses	12,170	11,144
Payroll tax	12,327	11,971
Printing, Postage & Office Expenses	14,243	10,182
Protective clothing	2,000	2,073
Rates & land taxes	2,882	3,523
Water Charges	828	965

The accompanying notes form part of these financial statements.

CFMEU Construction And General Division (Tasmanian Divisional Branch)
Income and Expenditure Statement
For the year ended 31 December 2011

	2011 \$	2010 \$
Repairs & maintenance	721	3,438
Salaries - ordinary	54,595	50,543
Salaries - Office Bearers	120,222	114,500
Security	950	940
Staff training	-	743
Sundry expenses	1,611	1,268
Superannuation	24,980	23,999
Telephone, Fax & I'net	13,421	12,173
Travel, Accom & Organisers expenses	17,116	11,995
Total expenses	369,564	348,739
Surplus from ordinary activities before income tax	841	20,132
Income tax revenue relating to ordinary activities	-	-
Net surplus attributable to the union branch	841	20,132
Total changes in equity of the union branch	841	20,132
Opening retained surplus'	336,398	316,266
Net surplus attributable to the union branch	841	20,132
Closing retained surplus'	337,239	336,398

The accompanying notes form part of these financial statements.

CFMEU Construction And General Division (Tasmanian Divisional Branch)
Detailed Statement of Financial Position As At 31 December 2011

	2011	2010
	\$	\$
Current Assets		
Cash Assets		
Cash At Bank -CBA	28,715	69,313
Members Equity Term Deposit	193,020	173,630
Petty Cash On Hand	161	211
	221,896	243,154
Total Current Assets	221,896	243,154
Non-Current Assets		
Property, Plant and Equipment		
Building -New Town - At Cost	198,090	198,090
Building New Town- Revaluation Increment	191,910	191,910
Office equipment	48,412	44,074
Less: Accumulated Depreciation	(41,052)	(39,604)
Motor vehicles - at cost	56,958	43,555
Less: Accumulated depreciation	(4,715)	(19,086)
	449,602	418,938
Total Non-Current Assets	449,602	418,938
Total Assets	671,499	662,092

The accompanying notes form part of these financial statements.

CFMEU Construction And General Division (Tasmanian Divisional Branch)
Detailed Statement of Financial Position As At 31 December 2011

	2011	2010
	\$	\$
Current Liabilities		
Payables		
Unsecured:		
Other Creditors -Capitation Payable	(6,188)	(8,385)
Trade Creditors	7,919	11,746
	1,731	3,361
Current Tax Liabilities		
GST payable control account	3,513	4,258
Amounts withheld from salary and wages	3,523	3,305
FBT Payable	3,083	2,360
	10,119	9,923
Provisions		
Provision for Annual Leave	2,500	2,500
Provision for Long Service Leave	18,000	18,000
Provision for Redundancy	110,000	100,000
	130,500	120,500
Total Current Liabilities	142,350	133,785
Total Liabilities	142,350	133,785
Net Assets	529,149	528,308
 Members' Funds		
Reserves		
Assets revaluation reserve	191,910	191,910
Accumulated surplus (deficit)	337,239	336,398
Total Members' Funds	529,149	528,308

The accompanying notes form part of these financial statements.

CFMEU Construction And General Division (Tasmanian Divisional Branch)

Statement of Cash Flows

For the year ended 31 December 2011

	2011	2010
	\$	\$
Cash Flow From Operating Activities		
Receipts from customers	363,255	360,705
Payments to Suppliers and employees	(348,840)	(330,240)
Interest received	9,390	8,166
Net cash provided by (used in) operating activities (note 2)	<u>23,803</u>	<u>38,631</u>
Cash Flow From Investing Activities		
Payment for:		
Payments for property, plant and equipment	<u>(45,061)</u>	-
Net cash provided by (used in) investing activities	<u>(45,061)</u>	-
Net increase (decrease) in cash held	(21,258)	38,631
Cash at the beginning of the year	<u>243,154</u>	<u>204,523</u>
Cash at the end of the year (note 1)	<u><u>221,896</u></u>	<u><u>243,154</u></u>

The accompanying notes form part of these financial statements.

CFMEU Construction And General Division (Tasmanian Divisional Branch)

Statement of Cash Flows

For the year ended 31 December 2011

2011

2010

Note 1. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash At Bank -CBA	28,715	69,313
Members Equity Term Deposit	193,020	173,630
Petty Cash On Hand	161	211
	<u>221,896</u>	<u>243,154</u>

Report is out of balance by :-

Cash at the end of the year per Cash Flow Statement	221,896	243,154
Closing balances of Cash (bank) accounts	<u>221,896</u>	<u>243,154</u>
	<u>-</u>	<u>-</u>

CFMEU Construction & General Division (Tasmanian Divisional Branch)

Notes to the Financial Statements

For the year ended 31 December, 2011

Note 1: Statement of Accounting Policies

The accounts have been prepared in accordance with the Statement of Accounting Concepts and applicable Accounting Standards. The accounts have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied, unless otherwise stated. The report is a general purpose financial report and has been prepared under the RAO schedule.

In accordance with the requirements of s272 of the RAO schedule, members attention is drawn to the following:

- (1) A member of a reporting unit, or Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
 - (2) The application must be made in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
 - (3) A reporting unit must comply with an application made under subsection (1).
-