



10 October 2017

Mr Michael Buchan
Secretary, WA Divisional Branch
Construction and General Division
Construction, Forestry, Mining and Energy Union

Sent via email: kkarolak@cfmeuwa.com

Dear Mr Buchan

Re: – Construction, Forestry, Mining and Energy Union, Construction and General Division, WA Divisional Branch - financial report for period ending 31 March 2017 (FR2017/25)

I refer to the financial report of the WA Divisional Branch of the Construction and General Division of the Construction, Forestry, Mining and Energy Union. The documents were lodged with the Registered Organisations Commission ('the ROC') on 25 September 2017.

The financial report has now been filed. The financial report was 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.

You are not required to take any further action in respect of the report lodged. Please note that the financial report for the period ending 31 March 2018 may be subject to an advanced compliance review.

Reporting Requirements

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

Please note that new Reporting Guidelines will apply to organisations and branches with financial years *commencing* on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right from the end of the name.

Stephen Kellett
Financial Reporting
Registered Organisations Commission

**Construction Forestry Mining and Energy Union
Construction and General Division – WA Branch**

**Financial Report for the 3 Months
ended 31 March 2017**

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

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

OPERATING REPORT

The Committee of Management present their operating report in respect of the 3 months ended 31 March 2017 as follows:

Members of the Management Committee

The members of the Management Committee at any time during the 3 months and the period which they held the position were:

Campbell McCullough, Ian Hawkins, Glenn Hawkins, Joseph McDonald, Graham Pallot, Leslie Wellington, Michael Buchan, Walter Molina, Matt Waters, Robert Pearson, Doug Heath, Aaron Mackrell, Les Wylie, John Pound, Nigel Alexander and Mick Vassila.

Each of the above members held the position for the full 3 months ended 31 March 2017 apart from the following:

Ian Hawkins – retired 31 December 2016

Joseph McDonald – retired 31 December 2016

Leslie Wellington - retired 31 December 2016

Matt Waters - retired 31 December 2016

The Union thanks all of these members for their service to the Union

Doug Heath – appointed 1 January 2017

Aaron Mackrell – appointed 1 January 2017

Les Wylie – appointed 1 January 2017

John Pound – appointed 1 January 2017

Nigel Alexander – appointed 1 January 2017

Mick Vassila – appointed 1 January 2017

Review of Activities

The principal activity of the Branch during the 3 months ended 31 March 2017 was to act as the Western Australian representative of the federally registered Construction, Forestry, Mining, and Energy Union – Construction and General Division (CFMEU C&G). The primary role of the Branch is to act on behalf of and to further the interests of its members.

There were no significant changes in the nature of the Branch's activities during the 3 months ended 31 March 2017. These accounts are prepared for the sole purpose of bringing the Branch's financial year into 'sync' with the national Union as part of the changes necessary in light of opportunities that exist Nationally. By reason of the fact that the accounts are only for a period of 3 months (including the month of January) the accounts whilst entirely accurate do not present a real view of the activities of the Union.

The Executive notes the challenges presented by the Federal Liberal Government's new workplace laws and the activities of the FWBC (now reborn as the ABCC) as being the intended disruptions to the core business of the Union.

Regardless of the federal government anti worker agenda our new industry agreement has started to pick up momentum. Builders and subcontractors on several major commercial sites within the CBD and large shopping centre projects have chosen to follow our industry model. The failed model used to develop Perth's New Children's Hospital and similar projects like Perth airport terminal 3 has led to many sub-contractors hitting the wall, not being able to pay employees entitlements. The model has contributed to suicide, marriage break ups, unemployment for many members and their employers. Not to mention the deteriorating safety standards and exploitation of visa workers often used as cheap labour source. The aim of our industry standard is to stop this race to the bottom and bring along with it an industry that will attract new starters which have been turned off over recent years of a downward spiral.

2016 ended with a union election the full ticket led by Mick Buchan was re-elected unopposed, some significant changes have been made with a new leadership team and management committee.

Cam McCullough and Graham Pallot hold positions of assistant secretaries. Vinnie Molina has been elected to the position of President.

The attached accounts show that the Union has faced challenges presented by the Federal government and the Union continues to be in a sound position.

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

The results of the activities for the financial period are summarised as follows:

- Total revenue was \$1,426,204 for the 3 months ended 31 March 2017 which represents an effective decrease of 12% from the prior year. This reflects a decrease in the number of members during the period, combined with a significant reduction in income generated from interest received. The reduction in revenue reflects the current decline in the economic and industry conditions over the last 3 months.
- The deficit for the 3-month period was \$382,992, compared with a deficit of \$2,526,759 for the 12 months ended 31 December 2016. The fall in revenue was offset by a significant reduction in Insurance – Member Benefits, Legal and Settlement Costs, Member Benefits and Travel and Accommodation Costs for the period.
- Full details of revenue and expenditure are set out on page 4 and 5.

Significant Changes in Financial Affairs

Significant changes in the state of affairs of the Branch during the year were:

- Total assets decreased to \$14,732,658 as at 31 March 2017 (31 December 2016: \$15,454,789) with the decrease arising largely from a reduction in cash balances.
- Total liabilities decreased to \$4,154,349 as at 31 March 2017 (31 December 2016: \$4,493,488) with the decrease largely due to a reduction in Sundry Creditors and income received in advance. This latter event is largely due to a decrease in the number of members during the year.
- Net assets decreased to \$10,578,309 as at 31 March 2017 (31 December 2016: \$10,961,301).

The accounts for the period 2017/18 will show a more realistic view of the Union's activities. There were no other significant changes in the Branch's affairs during the financial period.

The Right of Members to Resign

A member may resign from the membership of the Union by a written notice addressed and delivered to the Divisional Branch Secretary or other officer of the Divisional Branch authorised to receive such correspondence.

Membership Information

The number of members of the Branch as at 31 March 2017 recorded in the register of members and taken to be members of the Branch were 6,530.

Employee Information

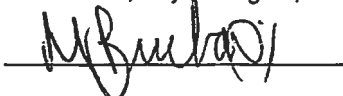
The number of full time equivalent employees of the Branch as at 31 March 2017 was 27.

Trustee of a Superannuation Entity

No officer or member is a trustee of a superannuation entity or an exempt public sector superannuation scheme or a director of a company that is a trustee of such an entity or scheme, where the criterion for the officer or member holding such a position is being an officer or member of a registered organisation.

Signed on behalf of the Committee of Management

Dated this 1st day of August, 2017.



Michael Buchan
Secretary

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

| | Note | 31 Mar 2017 \$ | 31 Dec 2016 \$ |
|---|------|-------------------|-------------------|
| MEMBERS FUNDS | | | |
| Balance at Beginning of Year | | 10,961,301 | 13,488,060 |
| Surplus / (Deficiency) | | (382,992) | (2,526,759) |
| | | <u>10,578,309</u> | <u>10,961,301</u> |
| REPRESENTED BY: | | | |
| CURRENT ASSETS | | | |
| Cash on Hand | | 2100 | 2100 |
| Cash in Financial Institutions | | 8,546,442 | 9,128,135 |
| Sundry Debtors | | 111,421 | 228,367 |
| Managed Investments – at market value | | 897,764 | 897,950 |
| TOTAL CURRENT ASSETS | | <u>9,557,727</u> | <u>10,256,552</u> |
| NON-CURRENT ASSETS | | | |
| Loans Receivable – CFMEUW | 2 | 2,570,072 | 2,570,072 |
| Loans Receivable/(Payable) – CSTC | 2 | (159,007) | (159,007) |
| Loans Receivable/(Payable) – CFMEU C&G National | | - | - |
| Furniture & Fittings - at cost | | 119,718 | 119,718 |
| Furniture & Fittings - accumulated depreciation | | (89,275) | (87,165) |
| Motor Vehicles - at cost | | 609,234 | 609,234 |
| Motor Vehicles - accumulated depreciation | | (253,620) | (232,424) |
| Canteens at Cost | | 619,294 | 619,294 |
| Canteens - Accumulated Depreciation | | (441,485) | (441,485) |
| The Herrons property ** | | 660,000 | 660,000 |
| Karratha property ** | | 455,000 | 455,000 |
| Birchley Heights property ** | | 1,085,000 | 1,085,000 |
| TOTAL NON-CURRENT ASSETS | | <u>5,174,931</u> | <u>5,198,237</u> |
| TOTAL ASSETS | | <u>14,732,658</u> | <u>15,454,789</u> |
| CURRENT LIABILITIES | | | |
| Trade Creditors | | - | 15,329 |
| Sundry Creditors | | 79,806 | 217,487 |
| GST clearing Account | | 58,246 | 42,619 |
| Income Received in Advance | | 2,258,510 | 2,490,161 |
| Payables to employers for the employers making payroll deductions of membership subscriptions | | - | - |
| Provision for Holiday Pay | 4 | 735,259 | 727,621 |
| Provision for legal/settlement costs – litigation | | 423,000 | 423,000 |
| Provision for Legal/Settlement Costs – other legal matters | | - | - |
| TOTAL CURRENT LIABILITIES | | <u>3,554,821</u> | <u>3,916,217</u> |
| NON CURRENT LIABILITIES | | | |
| Provision for Long Service Leave | 4 | 599,528 | 577,271 |
| TOTAL NON CURRENT LIABILITIES | | <u>599,528</u> | <u>577,271</u> |
| TOTAL LIABILITIES | | <u>4,154,349</u> | <u>4,493,488</u> |
| NET ASSETS | | <u>10,578,309</u> | <u>10,961,301</u> |

** - at Committee of Management valuation – 31 December 2016

To be read in conjunction with the attached notes

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3 MONTHS ENDED 31 MARCH 2017**

| | Note | 3 Months Ended 31 Mar 2017 \$ | 12 Months Ended 31 Dec 2016 \$ |
|---|------|-------------------------------------|--------------------------------------|
| REVENUE | | | |
| Subscriptions | | 1,088,568 | 5,146,583 |
| Training Levy | | 119,713 | 461,027 |
| Building Fund Income | | - | - |
| Revaluation / (Devaluation) of Managed investments | | (186) | 6,855 |
| Joining Fees | | - | - |
| Other Receipts - Sundry Income | | 111,323 | 413,617 |
| Interest Received | | 46,645 | 280,196 |
| Rent Received | | 22,733 | 82,997 |
| Canteen Income | | - | - |
| Merchandise Sales | | 21,441 | 47,620 |
| Reimbursement of Travel Expenditure | | 15,967 | 66,086 |
| Political and Donations | | - | - |
| Revaluation (Herrons) | | - | - |
| Revaluation (Birchley) | | - | - |
| Gain / (loss) on Sale of Assets | | - | (3,073) |
| | | 1,426,204 | 6,501,908 |
| EXPENDITURE | | | |
| Administration fees | | - | 26,799 |
| Advertising | | 5,506 | 26,208 |
| Affiliation Fees | | | |
| - Unions WA | | 12,921 | 65,519 |
| - Australian Labor Party | | 12,781 | 59,766 |
| ALP and Election Expenses | | 66,019 | 123,496 |
| Auditor's Remuneration –audit of the financial statements | | 12,882 | 30,000 |
| Auditors Remuneration – other services ## | | - | 8,648 |
| Bank Charges | | 7,953 | 44,638 |
| Campaign Costs | | 55,498 | 285,050 |
| Canteen Expenditure | | - | - |
| Computer Requirements | | 7,576 | 87,540 |
| Consultancy Fees | | - | - |
| CSTC Training Top Up | | 44,269 | 98,540 |
| Depreciation | | 23,305 | 173,514 |
| Donations | | | |
| - Less than \$1,000 | | - | 3,308 |
| - \$1,000 and more | | 3,000 | 73,900 |
| Fees/allowances paid to persons to attend conferences or meetings as a representative of the Branch | | - | - |
| Fees incurred as consideration for employers making payroll deductions of member subscriptions | | - | - |
| Grants – less than \$1,000 | | - | - |
| Grants - \$1,000 or more | | - | - |
| Merchandise Purchases | | 16,482 | 45,656 |
| Finance Costs | | - | - |
| Freight | | 816 | 20,215 |

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3 MONTHS ENDED 31 MARCH 2017**

| | Note | 3 Months Ended 31 Mar 2017 \$ | 12 Months Ended 31 Dec 2016 \$ |
|---|------|-------------------------------------|--------------------------------------|
| EXPENDITURE (continued) | | | |
| Funeral Benefits | | - | 400 |
| Fringe Benefits Tax | | (3,118) | 79,622 |
| Impairment Loss – Karratha Property | | - | - |
| Insurance | | 6,539 | 174,206 |
| Insurance - Member Benefit | | 50,247 | 849,906 |
| Legal and Settlement Costs | | | |
| - Litigation – Settlements / Orders | | 30,746 | 362,880 |
| - Other Legal Matters | | - | 166,582 |
| Meeting Expenses – meetings of members, conferences, councils, committees, etc | | 45,368 | 3,696 |
| Meeting expenses – other | | 2,534 | - |
| Member Benefits | | 24,699 | 298,026 |
| Motor Vehicle Expenses & Service charges | | 36,385 | 114,035 |
| Payroll Tax | | 73,079 | 329,072 |
| Parking | | 7,705 | 32,995 |
| Penalties imposed under the RO Act | | - | - |
| Photography | | - | 1,209 |
| Printing, Postage & Stationery | | 38,842 | 141,065 |
| Photocopying & Office Expenses | | 17,028 | 96,257 |
| Provision for Employee Entitlements | | 29,895 | 127,061 |
| Rent, Rates and Electricity | | 8,302 | 55,783 |
| Repairs & Maintenance | | 3,863 | 66,532 |
| Sponsorship | | - | 40,376 |
| Staff Amenities | | 6,645 | 10,946 |
| Subscriptions | | 2,296 | 16,202 |
| Superannuation and Redundancy Contributions | 5 | 173,109 | 656,898 |
| Sustentation / Capitation Fees (Federal) | | 121,579 | 379,375 |
| Staff Reimbursements | | - | - |
| Telephone | | 12,741 | 55,730 |
| Training | | 800 | 10,205 |
| Travel and Accommodation | | 37,339 | 349,587 |
| Wages – Office holders | 5 | 208,539 | 799,598 |
| Wages - Other employees | 5 | 605,025 | 2,637,626 |
| | | 1,809,195 | 9,028,667 |
| SURPLUS / (DEFICIT) FOR THE YEAR | | (382,992) | (2,526,759) |
| Other comprehensive income for the year | | - | - |
| Deficit attributable to the Union | | (382,992) | (2,526,759) |
| Total Comprehensive income / (deficit) attributable to the Union | | (382,992) | (2,526,759) |

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3 MONTHS ENDED 31 MARCH 2017**

Note: During the reporting period no capitation fees were received from another reporting unit, no compulsory levies were raised from members and no financial support was received from another reporting unit (other than to the extent disclosed in note 11 of the full financial report).

During the reporting period no compulsory levies were imposed on the reporting unit.

Auditors Remuneration – other services comprises accounting assistance \$0 (2016: \$8,648), taxation advice \$0 (2016: \$0)

**STATEMENT OF CHANGES IN EQUITY
FOR THE 3 MONTHS ENDED 31 MARCH 2017**

| | General Funds \$ | Hardship Fund \$ | Reserves \$ | Total \$ |
|--|------------------------|------------------------|----------------|-------------------|
| Balance at 31 December 2015 | 12,879,293 | 608,767 | - | 13,488,060 |
| Total Comprehensive income for the period ended 31 December 2016 | (2,526,759) | - | - | (2,526,759) |
| Adjustment to Retained Earnings for Change in Accounting Policy | - | - | - | - |
| Balance at 31 December 2016 | 10,352,534 | 608,767 | - | 10,961,301 |
| Total Comprehensive income for the period ended 31 March 2017 | (382,992) | - | - | (382,992) |
| Adjustment to Retained Earnings for Change in Accounting Policy | - | - | - | - |
| Balance at 31 March 2017 | 9,969,542 | 608,767 | - | 10,578,309 |

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

**STATEMENT OF CASHFLOWS
FOR THE 3 MONTHS ENDED 31 MARCH 2017**

| | Note | 3 Months Ended 31 Mar 2017 \$ | 12 Months Ended 31 Dec 2016 \$ |
|--|------|-------------------------------------|--------------------------------------|
| Cashflows from Operating Activities | | | |
| Receipts from members | | 1,496,692 | 6,371,493 |
| Other receipts | | | |
| Payments to suppliers and employees | | (2,125,030) | (9,154,273) |
| Interest received | | 46,645 | 280,196 |
| Net Cash Provided by (used in) Operating Activities | 8 | (581,693) | (2,502,584) |
| Cashflows from Investing Activities | | | |
| Payments for Property, Plant & Equipment | | - | (1,264) |
| Proceeds from sale of Property, Plant & Equipment | | - | 18,182 |
| Purchase of investments | | - | - |
| Net Cash Provided by (used in) Investing Activities | | - | 16,918 |
| Cashflows from Financing Activities | | | |
| Receipts / (payments) to/from Related Entities | | - | (55,751) |
| Proceeds from borrowings | | - | - |
| Decrease in Loans Payable | | - | - |
| Increase in Loans Receivable | | - | - |
| Net Cash Provided by (used in) Financing Activities | | - | (55,751) |
| Net Increase (Decrease) in Cash Held | | (581,693) | (2,541,417) |
| Cash at 1 January 2017 | | 9,130,235 | 11,671,652 |
| Cash at 31 March 2017 | | 8,548,542 | 9,130,235 |

Receipts from and payments to other reporting units and related entities are set out in Note 11.

NOTES TO AND FORMING PART OF THE ACCOUNTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other pronouncements of the Australian Accounting Standards Board and the reporting guidelines made under section 255 of the Fair Work (Registered Organisations) Act 2009. The Branch is a not-for-profit entity for financial reporting purposes.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on the _____ day of August, 2017 by the members of the committee.

(a) MEMBERSHIP SUBSCRIPTIONS AND LEVY INCOME

Membership subscriptions are accounted for on an accruals basis.

Training levy income is accounted for on a cash receipts basis which, on an annual basis, would not materially differ from that calculated on an accruals basis.

(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 loss.

Plant and equipment, motor vehicles and furniture and fittings acquired are brought to account at cost.

Property, comprising land and buildings, is carried at fair value which is based on either independent valuations or third party appraisals. Revaluation increments are credited to an Asset Revaluation Reserve. Properties are revalued regularly so as to ensure they are always reflected at fair value.

The carrying amount of property, plant and equipment is reviewed annually by board members to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal.

Depreciation

The Depreciable amount of all fixed assets is depreciated on the diminishing value over their useful lives to the Union commencing from the time the asset is held ready for use.

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

| | |
|----------------------|---------------|
| Furniture & Fittings | 7.5 - 37.5%pa |
| Motor Vehicles | 22.5%pa |
| Property | Nil pa |

NOTES TO AND FORMING PART OF THE ACCOUNTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) FAIR VALUE OF ASSETS AND LIABILITIES

The Union 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 Union 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.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie 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 (ie 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 and transport 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 and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, 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 statements.

(d) IMPAIRMENT OF ASSETS

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

(e) INCOME TAX

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under section 50-15 of the Income Tax Assessment Act (1997).

(f) FINANCIAL INSTRUMENTS

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction 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 AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the statement of comprehensive income in the period which they arise.

NOTES TO AND FORMING PART OF THE ACCOUNTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) FINANCIAL INSTRUMENTS (continued)

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.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Fair value

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

Impairment

At each reporting date, the Union assess 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 impairment has arisen. Impairment losses are recognised in the statement of comprehensive income

(g) EMPLOYEE BENEFITS

Provision is made for the Union's liability for employee benefits arising from services rendered by employees at balance date.

Liability for Annual Leave benefits are expected to be settled within 12 months and are therefore considered current liabilities. Liability for Long Service Leave benefits are not expected to be settled within 12 months and are therefore considered non-current liabilities, notwithstanding that any immaterial amounts may be settled within the next 12 months.

Provisions for employee benefits are brought to account at the amounts expected to be paid when the liability is settled, plus related on-costs. Provisions for redundancy fund are accrued at its current value. Any movement in the redundancy provision is expensed through the superannuation account.

Superannuation contributions made by the Union are expensed when due, except in the case for the redundancy fund mentioned above.

(h) GOODS & SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST except;

- Where GST incurred on purchases is not recoverable from the ATO, GST is recognised as part of the cost of the purchase.

Receivables and payables are stated with the amount of GST included.

(i) MANAGED INVESTMENTS

Managed Investments comprise of a diversified portfolio of tradeable equities, managed funds and cash, managed by an independent fund manager. Managed Investments are classified as "financial assets at fair value through profit and loss" and are recorded at net market value, with any changes in net market value brought to account in the Statement of Comprehensive Income in the periods in which they occur.

NOTES TO AND FORMING PART OF THE ACCOUNTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) NEW AND AMENDED ACCOUNTING POLICIES ADOPTED BY THE UNION

The Union has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The eventual adoption of new, revised or amended Accounting Standards that are not yet mandatory are not expected to significantly impact on the financial performance or position of the Union.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The Union 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.

Key estimates – Provision for Legal and Settlement Costs

At each reporting date the union assesses the amount which should be provided for in relation to legal and settlement costs. The amount determined is based on management's assessment of the likely outcome of actions in progress at year end taking into account the advice from legal counsel.

Actual legal and settlement costs could be lower or higher than the amount provided for at 31 March 2017 depending on the ultimate outcome of actions in progress at year end.

REGISTRATION STATUS

The Construction Forestry Mining and Energy Union Construction and General Division – WA Branch is a federally registered divisional branch of the Construction Forestry Mining and Energy Union.

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

NOTES TO AND FORMING PART OF THE ACCOUNTS

2. LOANS RECEIVABLE

The loans receivable from the Construction Forestry Mining and Energy Union of Workers (CFMEUW) and the Construction Skills Training Centre (CSTC) are unsecured, interest free and have no specified repayment date.

Loans receivable or payable to related parties have been classified as non-current as management do not anticipate their repayment within the next 12 months.

3. PROPERTY, PLANT & EQUIPMENT

Movement in carrying amounts

Movements in carrying amounts for each class of property, plant & equipment between the beginning and the end of the current financial year (for those classes that moved);

| | Canteens \$ | Furniture & fittings \$ | Motor vehicles \$ | Total \$ |
|-------------------------------------|----------------|-------------------------------|-------------------------|-------------|
| Balance at the beginning of year | 177,809 | 32,553 | 376,810 | 587,172 |
| Additions | - | - | - | - |
| Disposals | - | - | - | - |
| Depreciation & amortisation expense | - | (2,110) | (21,196) | (23,306) |
| Revaluation | - | | | |
| Carrying amount at the end of year | 177,809 | 30,443 | 355,614 | 563,866 |

4. EMPLOYEE PROVISIONS

| | 31 Mar 2017 \$ | 31 Dec 2016 \$ |
|--------------------------------------|-------------------|-------------------|
| Office Holders; | | |
| Annual leave | 353,120 | 440,582 |
| Long service leave | 271,328 | 353,954 |
| Separation and redundancies | - | - |
| Other | - | - |
| | 624,448 | 794,536 |
| Employees other than Office Holders; | | |
| Annual leave | 382,139 | 287,039 |
| Long service leave | 328,200 | 223,317 |
| Separation and redundancies | - | - |
| Other | - | - |
| | 710,339 | 510,356 |
| Total employee provisions | 1,334,787 | 1,304,892 |
| Current | 735,259 | 727,621 |
| Non-current | 599,528 | 577,271 |
| Total employee provisions | 1,334,787 | 1,304,892 |

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

NOTES TO AND FORMING PART OF THE ACCOUNTS

5. EMPLOYEE BENEFITS

| | 3 Months Ended 31 Mar 2017 | 12 Months Ended 31 Dec 2016 |
|--|---------------------------------------|--|
| | \$ | \$ |
| Employee benefits paid to Office holders during the year comprised of: | | |
| Wages and Salaries | 172,679 | 710,708 |
| Annual leave/long service leave | 35,860 | 88,890 |
| Non-monetary benefits | 10,256 | 13,869 |
| Superannuation | 43,418 | 152,085 |
| Separation and Redundancy | 5,655 | 9,048 |
| | 267,868 | 974,600 |

Employee benefits paid to other employees during the year comprised:

| | | |
|---------------------------------|---------|-----------|
| Wages and Salaries | 536,705 | 2,456,602 |
| Annual leave/long service leave | 68,320 | 181,024 |
| Non-monetary benefits | 20,206 | 37,042 |
| Superannuation | 110,464 | 432,777 |
| Separation and Redundancy | 13,572 | 62,988 |
| | 749,267 | 3,170,433 |

Office holders comprise key management personnel having authority and responsibility for planning, directing and controlling the activities of the Union, and include members of the management committee.

6. KEY MANAGEMENT PERSONNEL REMUNERATION

Key Management Personnel comprise the members of the Management Committee as set out on page 1 (the Operating Report).

Short term employee benefits

| | | |
|------------------------------------|---------|---------|
| Salary (inc annual leave taken) | 208,539 | 799,598 |
| Annual Leave accrued | 28,976 | 41,306 |
| Performance bonus | - | - |
| Non monetary benefits | 10,256 | 13,869 |
| Total short term employee benefits | 247,771 | 854,773 |

Post employment benefits

| | | |
|--------------------------------|--------|---------|
| Superannuation | 49,073 | 161,133 |
| Total post-employment benefits | 49,073 | 161,133 |

Other Long Term Benefits

| | | |
|----------------------------|---------|-----------|
| Long Service Leave accrued | 42,480 | 23,659 |
| Termination benefits | - | - |
| Total | 339,324 | 1,039,565 |

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

NOTES TO AND FORMING PART OF THE ACCOUNTS

7. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of Section 272, subsections (1), (2) and (3) of the Fair Work (Registered Organisations) Act 2009, a member of a reporting unit or the General Manager may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application. The application must be in writing and must specify the period within which, and the manner within 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.

A reporting unit must comply with an application made under subsection (1).

8. CASHFLOW INFORMATION

Reconciliation of Cashflow from Operations with Operating Surplus is as follows;

| | 3 Months Ended 31 Mar 2017 | 12 Months Ended 31 Dec 2016 |
|---|---------------------------------------|--|
| | \$ | \$ |
| Operating Surplus | (382,992) | (2,526,759) |
| Non cash flows in operating surplus | | |
| Depreciation | 23,305 | 173,514 |
| Revaluation of Managed Investments | 186 | (6,855) |
| Revaluation of PPE | - | - |
| Changes in Assets and Liabilities: | | |
| (Increase)/decrease in receivables | 116,947 | 153,563 |
| Increase/(decrease) in payables and Unearned Income | (369,034) | (362,181) |
| Increase/(decrease) in provisions | 29,895 | 63,061 |
| (Profit)/Loss on sale of investments/assets | - | 3,073 |
| Recognition of Previously Unrecorded Assets | - | - |
| Cash Flows from/(to) Operations | (581,693) | (2,502,584) |

9. FINANCIAL RISK MANAGEMENT

The Union undertakes transactions in a range of financial instruments. The material financial instruments are:

- Cash assets
- Managed investments (a diversified portfolio of tradeable listed investments, managed funds and cash management trusts)
- Sundry debtors and loans receivable
- Trade and sundry creditors
- Other financial liabilities

The union does not have any derivative instruments as at 31 March 2017 and does not speculate in any types of financial instruments.

The activities of the Union expose it primarily to the financial risks, associated with its financial instruments, of market risk, credit risk and interest rate risk. The Committee of Management are responsible for the monitoring and managing the financial risks of the Union. They monitor these risks through monthly board meetings where management accounts are presented and analysed. Any changes or issues identified are communicated to the administration team who implement changes. Management of the different types of financial risks are explained below;

NOTES TO AND FORMING PART OF THE ACCOUNTS

9. FINANCIAL RISK MANAGEMENT (continued)

a) Market Risk

The only material market risk we are exposed to is the risk that the fair value or future cash flows of our managed investments will fluctuate because of changes in market prices. We manage these risks by having a diversified portfolio of tradeable equities, managed funds and cash, managed by an independent funds manager. The investment value and returns are regularly reported to and monitored by the Committee of Management who makes changes as required.

Sensitivity Analysis

If market prices of our tradeable securities were 10% higher or lower the impact on our operating surplus would be to increase/decrease the surplus by approximately \$73,000 (as a substantial proportion of the managed investments are currently held in cash). A sensitivity of 10% has been selected as this is considered reasonable given the diversified portfolio.

b) Credit Risk

Credit risk is the risk that a contracting entity will not complete its obligations to repay us and thus will cause us to make a financial loss.

The largest material credit risk we are exposed to relates to cash assets, which comprises cash at banks and managed investments. We manage these risks by limiting the amount of funds invested with any financial institution and by evaluation of the financial institutions selected.

The Union also has exposure to credit risk through its sundry debtors and loans receivable. Most receivables are from a related union (the CFMEUW). Whilst there is a concentration of credit risk it has been assessed that the CFMEUW can comfortably meet its obligations.

c) Liquidity Risk

Liquidity risk is the risk that the Union will not be able to meet its financial obligations as they fall due, the Union manages liquidity risk by maintaining adequate cash reserves and by monitoring forecast cash flows, which reflect managements' expectations of the settlement of financial assets and liabilities.

All financial assets and liabilities mature within a period of less than 12 months.

d) Fair Value Financial Instruments

The carrying amounts of financial assets and liabilities approximate their fair values.

e) Interest Rate Risk

The Unions' exposure to interest rate risk, which is the risk that a financial instruments' value will fluctuate as a result of the changes in market interest rates, is limited only to its cash holdings with a number of banks.

To demonstrate the Unions' sensitivity to changes in interest rates a movement in rate of plus or minus 1% at the reporting date would have increased / decreased net profit by approximately \$87,000. For further details on interest rate risk refer to the table below.

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

NOTES TO AND FORMING PART OF THE ACCOUNTS

9 FINANCIAL RISK MANAGEMENT (continued)

e) Interest Rate Risk

The following table summarises interest rate risk for the Company together with effective interest rates as at balance date:

| | Floating Interest Rate | Fixed rate maturing: | | Non - Interest Bearing | TOTAL | Interest Rates: | |
|------------------------------------|------------------------|----------------------|-------------|------------------------|------------|-----------------|----------|
| | | 1 year or less | Over 1 year | | | Fixed | Floating |
| 2017 | | | | | | | |
| Financial Assets | | | | | | | |
| Cash Assets | 952,203 | 7,594,238 | | 2,100 | 8,548,541 | 2.58% | 0.55% |
| Managed Investments | | | | 897,764 | 897,764 | | |
| Sundry Debtors | | | | 111,421 | 111,421 | | |
| Related Entity Loans | | | | 2,411,065 | 2,411,065 | | |
| Total Financial Assets | 952,203 | 7,594,238 | | 3,422,350 | 11,968,791 | | |
| 2016 | 588,225 | 8,539,910 | | 3,698,489 | 12,826,624 | 2.58% | 0.55% |
| 2017 | | | | | | | |
| Financial Liabilities | | | | | | | |
| Trade payables | - | - | - | - | - | | |
| Other payables | - | - | - | 138,052 | 138,052 | - | - |
| Total Financial Liabilities | | | | 138,052 | 138,052 | | |
| 2016 | | | | 434,442 | 434,442 | - | - |

Floating interest rates represent the most recently determined rate applicable to the instrument at balance date.

10. CONTINGENT LIABILITIES

The Union and specified officials are subject to regulatory actions and are being sued for specified and unspecified damages in a number of separate actions arising from industrial disputes. The Committee of Management are of the opinion that the actions can be successfully defended by the Union and are currently involved in litigation challenging the actions.

Given the complex and protracted nature of these actions and advice from legal counsel, it is not practicable to reliably estimate fully the potential financial impact, if any, of these actions at this time, although any potential financial impact (in addition to that already provided for in the financial statements as at 31 March 2017) is not expected to be significant.

The information usually required by AASB 137 Provisions, Contingent Liabilities and Contingent Assets, is not disclosed on the grounds that it can be expected to seriously prejudice the outcome of the litigation.

In addition to the above, the Union has a contingent liability of \$1 million which arises from a settlement deed executed during the year ended 31 December 2012. Pursuant to the deed, the liability will become due and payable if prohibited industrial action (as defined in the deed) occurs on or before 11 February 2018.

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

NOTES TO AND FORMING PART OF THE ACCOUNTS

11. RELATED PARTY DISCLOSURES

There are no related party transactions other than remuneration of office holders, as disclosed in Notes 5 and 6 and the following transactions and balances listed below:

| | 3 Months Ended 31 Mar 2017 | 12 Months Ended 31 Dec 2016 |
|---|---------------------------------------|--|
| | \$ | \$ |
| Funds paid to CFMEU Construction & General National Office during the year | | |
| - Capitation fees | 121,579 | 414,399 |
| - National campaign levies | - | - |
| - Donations | - | - |
| - Royal Commission contribution | - | 38,311 |
| - Other payments | 12,949 | 19,791 |
| Amounts payable to CFMEU Construction & General National Office | | |
| - Balance payable at year end | 33,730 | - |
| Funds received from CFMEU Construction & General National Office | | |
| - Airfares | - | 79,410 |
| Amounts receivable from CFMEU Construction & General National Office | | |
| - Balance receivable at year end | 12,567 | 658 |
| Amounts paid to CFMEU Construction & General Victoria Branch | | |
| - Miscellaneous payments | - | 11,912 |
| Amounts paid to CFMEU Construction & General Queensland Branch | | |
| - Miscellaneous payments | - | 1,000 |
| Amounts paid to CFMEU Construction & General Australian Capital Territory Branch | | |
| - Miscellaneous payments | - | - |
| Amounts received from CFMEU Construction & General New South Wales Branch | | |
| - Miscellaneous payments | 2,273 | 1,045 |
| Amounts receivable from Construction Forestry Mining and Energy Union of Workers (CFMEUW) | | |
| - Balance receivable at year end | 2,570,072 | 2,570,072 |
| Amounts payable to Construction Skills Training Centre (CSTC) | | |
| - Balance payable at year end | 159,007 | 159,007 |

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

NOTES TO AND FORMING PART OF THE ACCOUNTS

11. RELATED PARTY DISCLOSURES (continued)

| | 3 Months Ended 31 Mar 2017 | 12 Months Ended 31 Dec 2016 |
|--|---------------------------------------|--|
| | \$ | \$ |
| Transactions with Construction Skills Training Centre (CSTC) | | |
| - Administration fees paid to CSTC during the year | - | 17,476 |
| - Administration fees received from CSTC during the year | - | 71,549 |
| - Transfer of training levies to CSTC | 44,269 | 98,540 |
| - Payroll tax recovered from CSTC | 18,446 | 99,574 |
| | | |
| Funds paid to CFMEU National Branch during the year | | |
| - National campaign levies | - | 238,868 |

12. EVENTS SUBSEQUENT TO BALANCE DATE

No matters or events have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Branch, the results of those operations or the state of affairs of the Branch in subsequent financial periods.

13. CAPITAL EXPENDITURE COMMITMENTS

There are no capital expenditure commitments for the 3 months ended 31 March 2017 or the 12 months ended 31 December 2016

14. FAIR VALUE MEASUREMENTS

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

- available-for-sale financial assets; and
- freehold land and buildings.

The Union 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.

Fair Value Hierarchy

AASB 13 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.

NOTES TO AND FORMING PART OF THE ACCOUNTS

14. FAIR VALUE MEASUREMENTS

Valuation Techniques

The Union 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 Union 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 Union 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.

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

| | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|--|----------------|------------------|---------------|------------------|
| 31 March 2017 | | | | |
| Recurring fair value measurements | | | | |
| <i>Financial assets</i> | | | | |
| Available-for-sale financial assets: | | | | |
| Shares in listed companies/trusts | 732,000 | - | - | 732,000 |
| Total financial assets recognised at fair value | 732,000 | | | 732,000 |
| <i>Non-financial assets</i> | | | | |
| Land and Buildings | - | 2,200,000 | - | 2,200,000 |
| Total non-financial assets recognised at fair value | - | 2,200,000 | - | 2,200,000 |
| | | | | |
| 31 December 2016 | | | | |
| Recurring fair value measurements | | | | |
| <i>Financial assets</i> | | | | |
| Available-for-sale financial assets: | | | | |
| Shares in listed companies/trusts | 525,000 | - | - | 525,000 |
| Total financial assets recognised at fair value | 525,000 | | | 525,000 |
| <i>Non-financial assets</i> | | | | |
| Land and buildings | - | 2,200,000 | - | 2,200,000 |
| Total non-financial assets recognised at fair value | - | 2,200,000 | - | 2,200,000 |

NOTES TO AND FORMING PART OF THE ACCOUNTS

14. FAIR VALUE MEASUREMENTS (continued)

Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

| Description | Fair Value at 31 March 2017 \$ | Valuation Technique(s) | Inputs Used |
|-----------------------------|--------------------------------------|--|--|
| <i>Non-financial assets</i> | | | |
| Land and buildings (i) | 2,200,000 | Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology | Price per hectare; market borrowing rate |
| | 2,200,000 | | |

- (i) The fair value of land and buildings is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period the executives review the independent valuations and when appropriate update the fair value measurement to reflect current market conditions using the valuation techniques noted above.

There were no changes during the period in the valuation techniques used to determine Level 2 fair values.

15. OTHER MATTERS

None of the activities set out in items 10 and 12 of the Reporting Guidelines occurred during the 3 months ended 31 March 2017.

Other than as noted above, the Branch has not agreed to provide financial support to any other reporting unit or entity nor has the Branch received financial support from another reporting unit or entity.

16. CHANGE OF FINANCIAL YEAR

In December 2016, the Branch resolved to change its financial year end from 31 December to 31 March, to be consistent with changes adopted by its related national Union.

This has resulted in a financial report being prepared for the transitional 3-month period from 1 January 2017 to 31 March 2017. Comparative financial information has been presented for the year ended and as at 31 December 2016.

Future financial reports will be prepared for the 12-month period commencing 1 April and ending 31 March of the following year.

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

**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY
CASH BASIS FOR 3 MONTHS ENDED 31 MARCH 2017**

| | 3 Months Ended 31 Mar 2017 \$ | 12 Months Ended 31 Dec 2016 \$ |
|--|-------------------------------------|--------------------------------------|
| Receipts | | |
| Amounts recovered from employers in respect of wages etc | - | 18,267 |
| Interest received on recovered money | | |
| Total receipts | - | 18,267 |
| Payments | | |
| Deductions of amounts due in respect of membership for: | | |
| - 12 months or less | - | 1,330 |
| - greater than 12 months | | |
| Deductions of donations or other contributions to accounts Or funds of: | | |
| - Construction & Building Industry Super | | |
| - WA Construction Industry Redundancy Fund | | |
| Deductions of fees or reimbursement of expenses | | |
| Payments to workers in respect of recovered money | - | 16,937 |
| Total payments | - | 18,267 |
| Surplus / Deficit for the year | - | - |

BALANCE SHEET AS AT 31 MARCH 2017

| | | |
|--|--------|--------|
| Assets | | |
| Cash at bank at beginning of period | 60,023 | 60,023 |
| Add Excess (deficiency) of Receipts over Payments | - | - |
| Total Assets | 60,023 | 60,023 |
| Liabilities | | |
| Unclaimed Wages (in respect of 105 workers In 2013 and 105 workers in 2012) | 60,023 | 60,023 |
| Total Liabilities | 60,023 | 60,023 |

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

COMMITTEE OF MANAGEMENT STATEMENT

The Committee of Management of Construction Forestry Mining and Energy Union Construction and General Division – WA Branch passed the following resolution at a Management Committee meeting held on 18 August 2017 in relation to the general purpose financial report (GPFR) of the reporting unit for the 3-month financial period ended 31 March 2017:

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 General Manager of Fair Work Commission
- 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 the period:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or the General Manager of Fair Work Commission duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager; and
 - (vi) there has been compliance with any order for inspection of financial records made by Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.
- f) in relation to recovery of wages activity;
 - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager of Fair Work Commission; and
 - (ii) the committee of management caused the Auditor to include in the scope of the audit required under subsection 257(1) of the Fair Work (Registered Organisations) Act 2009 all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and

COMMITTEE OF MANAGEMENT STATEMENT (continued)

- (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
- (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy or fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

This declaration is true and I know that it is an offence to make a declaration knowing that it is false in a material particular - for and on behalf of the Committee of Management:



Michael Buchan
Secretary

Dated this 18 day of August, 2017.

**AUDITORS REPORT
TO THE MEMBERS OF CONSTRUCTION FORESTRY MINING
AND ENERGY UNION THE CONSTRUCTION AND GENERAL
DIVISION – WA BRANCH**

AUDIT OPINION

In our opinion:

- i. there were kept by the organisation in respect of the period satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purpose of expenditure;
- ii. the attached accounts, notes, Recovery of Wages – Statement of Receipts and Payments and statements on pages 3 to 23 have been prepared in accordance with applicable Accounting Standards, and are properly drawn up in accordance with the provisions of Section 255 of the *Fair Work (Registered Organisations) Act 2009* in accordance with the rules of the organisation, and so as to give a true and fair view of,
 - a) the financial affairs of the organisation as at 31 March 2017, including properly and fairly reporting all information required by the reporting guidelines of the General Manager of FWA; and
 - b) the income and expenditure and deficit of the organisation for the 3 months ended on that date.
- iii. Management’s use of the going concern basis of accounting in the preparation of the Branch’s financial statements is appropriate.

REPORT ON THE FINANCIAL REPORT

We have audited the accounts of the Construction Forestry Mining and Energy Union Construction and General Division – WA Branch for the 3 months ended 31 March 2017, comprising the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cashflows, the Summary of Significant Accounting Policies, the Recovery of Wages – Statement of Receipts and Payments and the Committee of Management Statement.

MANAGEMENT COMMITTEES’ RESPONSIBILITY FOR THE FINANCIAL REPORT

The Management Committee is responsible for the preparation and presentation of the financial statements and the information contained therein. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the accounts that it is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**AUDITORS REPORT
TO THE MEMBERS OF CONSTRUCTION FORESTRY MINING
AND ENERGY UNION THE CONSTRUCTION AND GENERAL
DIVISION – WA BRANCH (CONTINUED)**

AUDITORS RESPONSIBILITY

We have conducted an independent audit of these accounts in order to express an opinion on them to the Members of the Branch.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the accounts are free from material misstatement. Our procedures included examination on a test basis, of evidence supporting the amounts and other disclosures in the Accounts, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects the accounts are presented fairly in accordance with Australian Accounting Standards and statutory requirements so as to present a view of the Branch which is consistent with our understanding of its financial position and the results of its operations.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

The audit opinion expressed in this report has been formed on the above basis.

INDEPENDENCE

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



MOORE STEPHENS
CHARTERED ACCOUNTANTS
PERTH



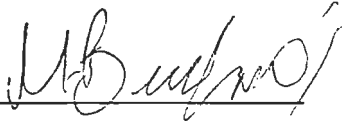
NEIL PACE
PARTNER
REGISTERED COMPANY AUDITOR #182668
AND APPROVED AUDITOR FCA AND HOLDER
OF A CURRENT PUBLIC PRACTICE CERTIFICATE

Signed at Perth this 19th day of August, 2017.

CERTIFICATE OF SECRETARY

I, Michael Buchan being the Secretary of the Construction Forestry Mining and Energy Union Construction and General Division – WA Branch certify:

- that the documentation lodged herewith are copies of the full report referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members on the 23 day of August, 2017; and
- that the full report was presented to a general meeting of members / ~~meeting of the Management Committee~~ on the 13 day of September, 2017 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.



Michael Buchan
Secretary

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

Dated this 22 day of September, 2017.