



11 October 2018

Mr Michael Buchan
Secretary, Western Australian Divisional Branch, Construction and General Division,
Construction, Forestry, Maritime, Mining and Energy Union

Dear Mr Buchan

**Re: – CFMMEU, Construction and General Division, Western Australian Divisional Branch –
Financial reporting – for year ending 31 March 2018 (FR2018/24)**

I refer to the financial report of the Western Australian Divisional Branch of the Construction and General Division of the Construction, Forestry, Maritime, Mining and Energy Union in respect of the year ending 31 March 2018. The documents were lodged with the Registered Organisations Commission ('the ROC') on 27 August 2018. An amended Designated Officer's certificate was received on 3 September 2018.

The financial report has 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 the report for year ending 31 March 2019 may be subject to an advanced compliance review.

Reporting requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. The new Reporting Guidelines are now available on the ROC website and any further information or updates on the guidelines will be provided through the [subscription service](#).

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. Along with the new Reporting Guidelines, 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](#).

Yours faithfully

Stephen Kellett
Financial Reporting
Registered Organisations Commission

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

CERTIFICATE OF SECRETARY

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

- that the documents lodged herewith are copies of the full report for the Construction Forestry Maritime Mining and Energy Union Construction and General Division – WA Branch for the period ended 31 March 2018 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on 17th July 2018 and;
- that the full report was presented to and approved by a General Meeting of the members on the 8th August 2018 and to a meeting of the Committee of Management of the reporting unit on 20th August 2018 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.



Michael Buchan
Secretary

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

Dated this 3rd day of September 2018.

CFMEU

CONSTRUCTION

27 August 2018

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To whom it may concern

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

Please find attached the Financial Report of the Construction, Forestry, Maritime, Mining and Energy Union – Construction and General Division, WA Divisional Branch, for the year ending 31 March 2018.

If you require any further information, please contact Mrs Kathryn Hunter on (08) 9228 6900 or at KHunter@cfmeuwa.com

Yours sincerely

Kathryn Hunter
Lawyer, CFMMEU



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

**Financial Report for the 12 Months
ended 31 March 2018**

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

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

OPERATING REPORT

The Committee of Management present their operating report in respect of the 12 months ended 31 March 2018 as follows:

Members of the Management Committee

The members of the Management Committee at any time during the 12 months and the period which they held the position were:

Campbell McCullough, Glenn Hawkins, Graham Pallot, Michael Buchan, Walter Molina, Robert Pearson, Doug Heath, Aaron Mackrell, Les Wylie, John Pound, Nigel Alexander and Mick Vassila.

Review of Activities

The principal activity of the Branch during the 12 months ended 31 March 2018 was to act as the Western Australian representative of the federally registered Construction, Forestry, Maritime, 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 12 months ended 31 March 2018.

The Executive notes the challenges created by the Federal Liberal Government's workplace laws and the activities of the ABCC as being the intended disruptions to the core business of the Union.

The Executive notes that Mr Nigel Hadgkiss has resigned in disgrace, convicted of breaching (in Western Australia) the laws he swore to uphold. The union, despite Mr Hadgkiss's best efforts, continues.

Regardless of the Federal Liberal anti-worker agenda our new industry agreement has started to have an effect on Builders and subcontractors on several major commercial sites within the CBD and large shopping centre projects have chosen to follow our industry model. Despite the efforts to pressure the Union, the government has failed spectacularly to deal with issues such as insecure work and safety on the jobs. The aim of our industry standard EBA 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.

Your Union has been very active in its engagement with the WA Labor Govt, elected in March 2017. Although the State government is not moving as quickly as perhaps we would want, the progress we have made in Labor Hire Licensing, procurement and Changes to Occupational Health and Safety laws. We are confident that in this term of Government changes will be made in all of these areas that will have a positive impact on our members.

The attached accounts show that notwithstanding the challenges deliberately created by the Federal Liberal Government the Union continues to be in a sound position.

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

- Total revenue was \$5,513,603 for the 12 months ended 31 March 2018, which represents an effective decrease of 15% compared to the last comparable reporting period, being for the 12 months ended 31 December 2016. This reflects a decrease in the number of members during the period, combined with a reduction in income generated from interest received. The reduction in revenue reflects the current decline in the economic and industry conditions over the last 12 months.
- The deficit for the 12-month period was \$2,889,501, compared with a deficit of \$2,526,992 for the last comparable reporting period, being for the 12 months ended 31 December 2016. As mentioned above this is a reflection in the fall in income.
- Full details of revenue and expenditure are set out on page 4 and 5.

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

Significant Changes in Financial Affairs

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

- Total assets decreased to \$11,807,062 as at 31 March 2018 (31 March 2017: \$14,732,658), with the decrease arising from the operating deficit for the 12 months ended 31 December 2018 and largely reflected in a reduction in cash balances.
- Total liabilities decreased to \$4,118,254 as at 31 March 2018 (31 March 2017: \$4,154,349), largely consistent with the prior period.
- Net assets decreased to \$7,688,808 as at 31 March 2018 (31 March 2017: \$10,578,309).

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 2018 recorded in the register of members and taken to be members of the Branch were 5,955.

Employee Information

The number of full time equivalent employees of the Branch as at 31 March 2018 was 24.

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 ^{12th} day of July 2018.



Michael Buchan
Secretary

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018**

	Note	31 Mar 2018 \$	31 Mar 2017 \$
MEMBERS FUNDS			
Balance at Beginning of Year		10,578,309	10,961,301
Surplus / (Deficiency)		(2,889,501)	(382,992)
		<u>7,688,808</u>	<u>10,578,309</u>
CURRENT ASSETS			
Cash on Hand		2,100	2100
Cash in Financial Institutions		5,618,286	8,546,442
Sundry Debtors		196,982	111,421
Managed Investments – at market value		1,003,805	897,764
TOTAL CURRENT ASSETS		<u>6,821,173</u>	<u>9,557,727</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		(97,780)	(89,275)
Motor Vehicles - at cost		489,594	609,234
Motor Vehicles - accumulated depreciation		(262,906)	(253,620)
Canteens at Cost		406,794	619,294
Canteens - Accumulated Depreciation		(280,596)	(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>4,985,889</u>	<u>5,174,931</u>
TOTAL ASSETS		<u>11,807,062</u>	<u>14,732,658</u>
CURRENT LIABILITIES			
Trade Creditors		22,962	-
Sundry Creditors		92,255	79,806
GST clearing Account		92,794	58,246
Income Received in Advance		2,046,351	2,258,510
Payables to employers for the employers making payroll deductions of membership subscriptions		-	-
Provision for Holiday Pay	4	546,881	735,259
Provision for legal/settlement costs – litigation		150,000	423,000
Provision for Legal/Settlement Costs – other legal matters		-	-
Provision for Retirement Benefit	4	679,221	-
TOTAL CURRENT LIABILITIES		<u>3,630,464</u>	<u>3,554,821</u>
NON-CURRENT LIABILITIES			
Provision for Long Service Leave	4	487,790	599,528
TOTAL NON-CURRENT LIABILITIES		<u>487,790</u>	<u>599,528</u>
TOTAL LIABILITIES		<u>4,118,254</u>	<u>4,154,349</u>
NET ASSETS		<u>7,688,808</u>	<u>10,578,309</u>

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

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 12 MONTHS ENDED 31 MARCH 2018**

	Note	12 Months Ended 31 Mar 2018 \$	3 Months Ended 31 Mar 2017 \$
REVENUE			
Membership Subscriptions		4,374,005	1,088,568
Training Levy		418,021	119,713
Revaluation / (Devaluation) of Managed investments		82,625	(186)
Joining Fees		-	-
Other Receipts - Sundry Income		350,665	111,323
Interest Received		137,932	46,645
Rent Received		80,014	22,733
Merchandise Sales		19,048	21,441
Reimbursement of Travel Expenditure		-	15,967
Grants and Donations		-	-
Revaluation (Herrons)		-	-
Revaluation (Birchley)		-	-
Gain / (loss) on Sale of Assets		51,293	-
		5,513,603	1,426,204
EXPENDITURE			
Administration fees		17,520	-
Advertising		25,722	5,506
Affiliation Fees			
- Unions WA		51,684	12,921
- Australian Labor Party		49,591	12,781
- Woodworkers International		9,564	-
- BWI Affiliation fees		8,309	-
ALP and Election Expenses		50,828	66,019
Auditor's Remuneration –audit of the financial statements		57,900	12,882
Auditors Remuneration – other services ##		9,100	-
Bank Charges		28,830	7,953
Campaign Costs		208,259	55,498
Computer Requirements		36,993	7,576
Consultancy Fees		18,583	-
CSTC Training Top Up		115,363	44,269
Depreciation		133,631	23,305
Donations			
- Less than \$1,000		-	-
- \$1,000 and more		89,865	3,000
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		18,068	16,482
Finance Costs		-	-
Freight		770	816

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 12 MONTHS ENDED 31 MARCH 2018**

	Note	12 Months Ended 31 Mar 2018 \$	3 Months Ended 31 Mar 2017 \$
EXPENDITURE (continued)			
Funeral Benefits		11,272	-
Fringe Benefits Tax		70,068	(3,118)
Impairment Loss – Karratha Property		-	-
Insurance		183,580	6,539
Insurance - Member Benefit		417,070	50,247
Legal and Settlement Costs			
- Litigation – Settlements / Orders		531,130	30,746
- Other Legal Matters		-	-
Meeting Expenses – meetings of members, conferences, councils, committees, etc		217,386	45,368
Meeting expenses – other		-	2,534
Member Benefits		132,905	24,699
Motor Vehicle Expenses & Service charges		109,198	36,385
Payroll Tax		276,155	73,079
Parking		30,046	7,705
Penalties imposed under the RO Act		-	-
Photography		-	-
Printing, Postage & Stationery		109,604	38,842
Photocopying & Office Expenses		78,107	17,028
Provision for Employee Entitlements		379,104	29,895
Rent, Rates and Electricity		71,879	8,302
Repairs & Maintenance		19,182	3,863
Sponsorship		25,048	-
Staff Amenities		9,299	6,645
Subscriptions		20,607	2,296
Superannuation and Redundancy Contributions	5	625,616	173,109
Sustentation / Capitation Fees (Federal)		227,670	121,579
Staff Reimbursements		-	-
Telephone		53,264	12,741
Training		1,250	800
Travel and Accommodation		141,108	37,339
Wages – Office holders	5	1,041,715	208,539
Wages - Other employees	5	2,690,261	605,025
		<u>8,403,104</u>	<u>1,809,195</u>
SURPLUS / (DEFICIT) FOR THE YEAR		(2,889,501)	(382,992)
Other comprehensive income for the year		-	-
Deficit attributable to the Union		(2,889,501)	(382,992)
Total Comprehensive income / (deficit) attributable to the Union		(2,889,501)	(382,992)

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 12 MONTHS ENDED 31 MARCH 2018**

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 comprise accounting assistance \$4,000 (2017: \$0), taxation advice \$5,100 (2017: \$0)

**STATEMENT OF CHANGES IN EQUITY
FOR THE 12 MONTHS ENDED 31 MARCH 2018**

	General Funds \$	Hardship Fund \$	Reserves \$	Total \$
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
Total Comprehensive income for the period ended 31 March 2018	(2,889,501)	-	-	(2,889,501)
Adjustment to Retained Earnings for Change in Accounting Policy	-	-	-	-
Balance at 31 March 2018	7,080,041	608,767	-	7,688,808

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

**STATEMENT OF CASHFLOWS
FOR THE 12 MONTHS ENDED 31 MARCH 2018**

	Note	12 Months Ended 31 Mar 2018 \$	3 Months Ended 31 Mar 2017 \$
Cashflows from Operating Activities			
Receipts from members		5,132,774	1,496,692
Other receipts		-	-
Payments to suppliers and employees		(8,305,567)	(2,125,030)
Interest received		137,932	46,645
Net Cash Provided by (used in) Operating Activities	8	<u>(3,034,861)</u>	<u>(581,693)</u>
Cashflows from Investing Activities			
Payments for Property, Plant & Equipment		(35,295)	-
Proceeds from sale of Property, Plant & Equipment		142,000	-
Net Cash Provided by (used in) Investing Activities		<u>106,705</u>	<u>-</u>
Cashflows from Financing Activities			
Proceeds from borrowings		-	-
Decrease in Loans Payable		-	-
Increase in Loans Receivable		-	-
Net Cash Provided by (used in) Financing Activities		<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash Held		(2,928,156)	(581,693)
Cash at 1 April 2017		8,548,542	9,130,235
Cash at 31 March 2018		<u>5,620,386</u>	<u>8,548,542</u>

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

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

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 11th day of July 2018 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

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

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.

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

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 2018 depending on the ultimate outcome of actions in progress at year end.

REGISTRATION STATUS

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

**CONSTRUCTION FORESTRY MARITIME 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	30,443	355,614	563,866
Additions	-	-	35,295	35,295
Disposals	-	-	(90,706)	(90,706)
Depreciation & amortisation expense	(51,611)	(8,505)	(73,515)	(133,631)
Revaluation	-	-	-	-
Carrying amount at the end of year	126,198	21,938	226,688	374,824

4. EMPLOYEE PROVISIONS

	31 Mar 2018 \$	31 Mar 2017 \$
Office Holders;		
Annual leave	384,997	353,120
Long service leave	296,694	271,328
Separation and redundancies	-	-
Retirement Benefit	387,759	-
	<u>1,069,450</u>	<u>624,448</u>
Employees other than Office Holders;		
Annual leave	161,884	382,139
Long service leave	191,096	328,200
Separation and redundancies	-	-
Retirement benefit	291,353	-
	<u>644,333</u>	<u>710,339</u>
Total employee provisions	<u>1,713,783</u>	<u>1,334,787</u>
Current	1,225,993	735,259
Non-current	487,790	599,528
Total employee provisions	<u>1,713,783</u>	<u>1,334,787</u>

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

NOTES TO AND FORMING PART OF THE ACCOUNTS

5. EMPLOYEE BENEFITS

	12 Months Ended 31 Mar 2018 \$	3 Months Ended 31 Mar 2017 \$
Employee benefits paid to Office holders during the year comprised of:		
Wages and Salaries	546,886	172,679
Leave and Other Entitlements	494,829	35,860
Non-monetary benefits	34,885	10,256
Superannuation	176,892	43,418
Separation and Redundancy	13,572	5,655
	<u>1,267,064</u>	<u>267,868</u>
Employee benefits paid to other employees during the year comprised:		
Wages and Salaries	2,234,677	536,705
Leave and Other Entitlements	455,584	68,320
Non-monetary benefits	55,816	20,206
Superannuation	371,405	110,464
Separation and Redundancy	63,747	13,572
	<u>3,181,229</u>	<u>749,267</u>

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)	1,041,715	208,539
Annual Leave accrued	69,586	28,976
Performance bonus	-	-
Non-monetary benefits	34,885	10,256
Total short-term employee benefits	<u>1,146,196</u>	<u>247,771</u>

Post-employment benefits

Superannuation	176,892	49,073
Total post-employment benefits	<u>176,892</u>	<u>49,073</u>

Other Long-Term Benefits

Long Service Leave accrued	27,583	42,480
Retirement Benefit accrued	291,353	-
Termination benefits	-	-
Total other long-term benefits	<u>318,936</u>	<u>42,480</u>

Total Key Management Personnel Remuneration	<u>1,642,024</u>	<u>339,324</u>
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**CONSTRUCTION FORESTRY MARITIME 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:

	12 Months Ended 31 Mar 2018	3 Months Ended 31 Mar 2017
	\$	\$
Operating Surplus	(2,889,501)	(382,992)
Non-cash flows in operating surplus		
Depreciation	133,631	23,305
Revaluation of Managed Investments	(106,041)	186
Revaluation of PPE	-	-
Changes in Assets and Liabilities:		
(Increase)/decrease in receivables	(85,562)	116,947
Increase/(decrease) in payables and Unearned Income	(142,200)	(369,034)
Increase/(decrease) in provisions	106,105	29,895
(Profit)/Loss on sale of investments/assets	(51,293)	-
Recognition of Previously Unrecorded Assets	-	-
Cash Flows from/(to) Operations	<u>(3,034,861)</u>	<u>(581,693)</u>

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 2018 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 \$53,000 (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 \$61,000. For further details on interest rate risk refer to the table below.

**CONSTRUCTION FORESTRY MARITIME 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
2018							
Financial Assets							
Cash Assets	753,794	5,335,875		2,100	6,091,769	2.58%	0.55%
Managed Investments				532,422	532,422		
Sundry Debtors				196,982	196,982		
Related Entity Loans				2,411,065	2,411,065		
Total Financial Assets	753,794	5,335,875		3,142,569	9,232,238		
2017	952,203	7,594,238		3,422,350	11,968,791	2.58%	0.55%
2018							
Financial Liabilities							
Trade payables	-	-	-	22,962	22,962		
Other payables	-	-	-	92,255	92,255	-	-
Total Financial Liabilities				115,217	115,217		
2017				138,052	138,052	-	-

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 2018) 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.

**CONSTRUCTION FORESTRY MARITIME 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:

	12 Months Ended 31 Mar 2018	3 Months Ended 31 Mar 2017
	\$	\$
Cash flows paid to the CFMEU Construction & General National Office during the year		
- Capitation fees	420,516	121,579
- National campaign levies	131,520	-
- Legal cost contribution - litigation	39,766	-
- Penalties – contribution	24,385	-
- ABCC Campaign contribution	47,832	-
- Other payments	-	12,949
 Amounts payable to CFMEU Construction & General National Office (GST Inc)		
- Balance payable at year end	-	33,730
 Cash flows received from CFMEU Construction & General National Office		
- Travel & conference reimbursements	110,589	-
- Capitation fee reimbursement relating to prior period	119,159	-
 Amounts receivable from CFMEU Construction & General National Office (GST Inc)		
- Travel Reimbursement	15,150	12,567
- Capitation fee reimbursement relating to current period	81,056	
 Cash flows paid to CFMEU Construction & General Victoria Branch		
- Miscellaneous payments	1,030	-
 Cash flows received from CFMEU Construction & General Queensland Branch		
- Miscellaneous receipts	727	-
 Cash flows received from CFMEU Construction & General New South Wales Branch		
- Miscellaneous receipts	182	-
 Cash flows received from CFMEU Construction & General New South Wales Branch		
- Miscellaneous payments	-	2,273
 Cash flows paid to CFMEU Mining and Energy Queensland Branch		
- Donations	25,000	-

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

NOTES TO AND FORMING PART OF THE ACCOUNTS

11. RELATED PARTY DISCLOSURES (continued)	12 Months Ended 31 Mar 2018	3 Months Ended 31 Mar 2017
Cash flows received from the Forestry & Furnishing Products Division		
- Miscellaneous receipts	57,818	-
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	178,279	159,007
Amounts receivable from Construction Skills Training Centre (CSTC)		
- Balance receivable at year end	75,669	-
Transactions with Construction Skills Training Centre (CSTC)		
- Administration fees owed to CSTC	17,520	-
- Administration fees owed from CSTC	68,790	-
- Transfer of training levies to CSTC	115,363	44,269
- Payroll tax recovered from CSTC	62,766	18,446

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 12 months ended 31 March 2018.

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:

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

NOTES TO AND FORMING PART OF THE ACCOUNTS

14. FAIR VALUE MEASUREMENTS (continued)

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

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

Valuation Techniques

The 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:

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

NOTES TO AND FORMING PART OF THE ACCOUNTS

14. FAIR VALUE MEASUREMENTS (continued)

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 March 2018				
Recurring fair value measurements				
<i>Financial assets</i>				
Available-for-sale financial assets:				
Shares in listed companies/trusts	532,000	-	-	532,000
Total financial assets recognised at fair value	532,000			532,000
<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 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

Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

Description	Fair Value at 31 March 2018 \$	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
	<u>2,200,000</u>		

- (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.

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

NOTES TO AND FORMING PART OF THE ACCOUNTS

15. OTHER MATTERS

None of the activities set out in items 10 and 12 of the Reporting Guidelines occurred during the 12 months ended 31 March 2018.

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 resulted in a financial report being prepared for the transitional 3-month period from 1 January 2017 to 31 March 2017. The comparative financial information for the above financial report is therefore this 3-month period.

For future financial reports the comparative figures will be for the 12-month period commencing 1 April and ending 31 March of the following year.

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

**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY
CASH BASIS FOR 12 MONTHS ENDED 31 MARCH 2018**

	12 Months Ended 31 Mar 2018 \$	3 Months Ended 31 Mar 2017 \$
Receipts		
Amounts recovered from employers in respect of wages etc	-	-
Interest received on recovered money	-	-
Total receipts	<hr/>	<hr/>
Payments		
Deductions of amounts due in respect of membership for:		
- 12 months or less	-	-
- 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	-	-
Total payments	<hr/>	<hr/>
Surplus / Deficit for the year	<hr/>	<hr/>
 BALANCE SHEET AS AT 31 MARCH 2018		
Assets		
Cash at bank at beginning of period	60,023	60,023
Add Excess (deficiency) of Receipts over Payments	-	-
Total Assets	<hr/>	<hr/>
Liabilities		
Unclaimed Wages (in respect of 105 workers In 2013 and 105 workers in 2012)	60,023	60,023
Total Liabilities	<hr/>	<hr/>

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

COMMITTEE OF MANAGEMENT STATEMENT

The Committee of Management of Construction Forestry Maritime Mining and Energy Union Construction and General Division – WA Branch passed the following resolution at a Management Committee meeting held on 11th July 2018 in relation to the general purpose financial report (GPFR) of the reporting unit for the 12-month financial period ended 31 March 2018:

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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- 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 RO Act; and
 - (iv) where the organisation consists of two 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) where information has been sought in any request of a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - (vi) where any order for inspection of financial records made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- 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; and
 - (ii) the committee of management instructed the Auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and

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

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 12th day of July 2018.

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

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Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Construction Forestry Maritime Mining and Energy Union Construction and General Division – WA Branch (the Reporting Unit), which comprises the statement of financial position as at 31 March 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 March 2018, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Construction Forestry Maritime Mining and Energy Union Construction and General Division – WA Branch as at 31 March 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report. My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

AUDITORS REPORT

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

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standard Board website at www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our audit report.

I communicate with the Committee of Management regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an approved auditor, a member of the Chartered Accountants Australia & New Zealand and hold a current Public Practice Certificate.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

My opinion on the financial report is not modified in respect of these matters.

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

Report on the Recovery of Wages Activity financial report

Opinion on the recovery of wages activity financial report

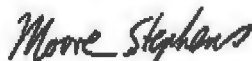
The scope of my work extended to the recovery of wages activity and I have audited the recovery of wages activity financial report for the year ended 31 March 2018.

In my opinion, the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the General Manager, including:

- a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- b) any donations or other contributions deducted from recovered money.

Responsibilities

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. My responsibility is to express an opinion on the recovery of wages activity financial report, based on my audit conducted in accordance with Australian Auditing Standards.



MOORE STEPHENS
CHARTERED ACCOUNTANTS
PERTH



NEIL PACE
PARTNER
REGISTERED AUDITOR #AA2017/14
AND APPROVED AUDITOR FCA AND HOLDER
OF A CURRENT PUBLIC PRACTICE CERTIFICATE

Signed at Perth this 12th day of July 2018.

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

CERTIFICATE OF SECRETARY

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

- that the documents lodged herewith are copies of the full report for the Construction Forestry Maritime Mining and Energy Union Construction and General Division – WA Branch for the period ended referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on 17 JULY 2018 and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 11 JULY 2018 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.



Michael Buchan
Secretary

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

Dated this 24 day of AUGUST 2018