



21 June 2019

Gregory Busson
District Secretary
Construction, Forestry, Maritime, Mining and Energy Union-Mining and Energy Division Western
Australia District Branch

Sent via email: cfmeumwa@highway1.com.au
npace@moorestephens.com.au

Dear Gregory Busson,

**Construction, Forestry, Maritime, Mining and Energy Union-Mining and Energy Division
Western Australia District Branch**

Financial Report for the year ended 31 December 2018 – (FR2018/299)

I acknowledge receipt of the financial report of the Construction, Forestry, Maritime, Mining and Energy Union-Mining and Energy Division Western Australia District Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 11 June 2019. I also acknowledge receipt of the amended copy of the financial report which was lodged subsequently on 13 June 2019.

The financial report has now been filed.

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

Please note that the financial report for the year ending 31 December 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

General purpose financial report (GPFR)

Nil activities disclosure

Item 21 of the reporting guidelines (**RGs**) states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The notes contained nil activity information for all prescribed reporting guideline categories except the following:

- Receiving any other revenue from another reporting unit (RG13(b));
- Paying leave and other entitlements expense for holders of office (RG14(f)(iii));

- Paying other employment expenses for holders of office (RG14(f)(v));
- Paying leave and other entitlements expense for employees (other than holders of offices) (RG14(g)(iii));
- Having a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branches (RG17(a));
- Transferring to or withdrawing from a fund (other than the general fund), account, asset or controlled entity (RG17(b)); and
- Making a payment to a former related party of the reporting unit (RG20).

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the reporting guidelines.

References to legislation and the ROC

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, the ROC is the new regulator for registered organisations, with effect from 1 May 2017. All references to the Fair Work Commission and General Manager must be changed to the Registered Organisations Commission and Commissioner except in relation to declaration (e)(vi) in the committee of management statement.

I note that items Note 16 *Section 272 Fair Work (Registered Organisations) Act 2009* refers to the Fair Work Commission and General Manager instead of the Registered Organisations Commission and Commissioner.

I also note that the declaration (e)(vi) in the committee of management statement refers to the Commission instead of the Fair Work Commission.

Key management personnel compensation

Australian Accounting Standard *AASB 124 Related Party Disclosures* paragraph 17 requires the GPFR to disclose within the statements or the notes compensation paid to key management personnel.

This normally includes a listing of the key management personnel for the organisation, the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post-employment benefits
- Other long term employee benefits
- Termination benefits
- Any share based payments.

The definition for these categories can be found within accounting standard *AASB 119: Employee Benefits*.

Note 11 *Key Management Personnel Disclosures* separates the disclosure of this information by office holder and employees other than office holders. AASB 124 paragraph 17 requires the total of each category, as listed above, to be disclosed and does not require this information to be disclosed via 'type' of employee.

Please ensure in future years all key management personnel compensation is disclosed in accordance with the appropriate Australian Accounting Standard.

Recovery of wages disclosure

Please note that under the 5th edition of the RGs made under section 255 of the RO Act issued 4 May 2018 a recovery of wages activity statement is no longer required. Furthermore, the RGs no longer require a statement in regard to recovery of wages activity in the committee of management statement.

In place of the former requirements, item 13(e) of the 5th edition RGs requires the disclosure of any revenue derived from undertaking recovery of wages activity in either the statement of comprehensive income or the notes to the financial statements. RG 21 states that if any activity described within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included in the financial statements, the notes or in an officer's declaration statement.

References to the reporting unit's new name

On 27 March 2018, the Construction, Forestry, Mining and Energy Union, the Maritime Union of Australia and the Textile, Clothing and Footwear Union of Australia amalgamated to form the Construction, Forestry, Maritime, Mining and Energy Union. I note that the GPFR, operating report, auditor's report and the certificate by prescribed designated officer lodged with the ROC on 11 June 2019 refer to the reporting unit's previous name that is, the Construction, Forestry, Mining and Energy Union.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 RGs and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,



Kylie Ngo
Registered Organisations Commission

CFMEU Mining & Energy Division of WA

ABN 26 591 880 340

Financial Statements
For the year ended 31 December 2018

CFMEU Mining & Energy Division of WA
ABN 26 591 880 340

Contents

Committee of Management Statement	1
Operating Report	2
Report required under subsection 255(2A)	4
Statement of Financial Position	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Changes in Equity	7
Detailed Profit and Loss Statement	8
Statement of Cash Flows	9
Notes to the Financial Statements	11
Independent Auditor's Report	24

**CFMEU - MINING AND ENERGY DIVISION OF WA
COMMITTEE OF MANAGEMENT STATEMENT**

On 9 April 2019 the Committee of Management of CFMEU - Mining and Energy Division of WA passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2018

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

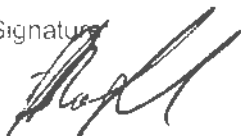
- a) the financial statements and notes comply with the Australian Accounting Standards.
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act)
- c) the financial 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 GPFR relates and since the end of that year,
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of 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
 - 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 with each of the other reporting units of the organisation; and
 - v. where information has been sought in any request by a member of the reporting unit or a Commissioner duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009* has been furnished to the member or Commissioner and
 - vi. there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009*
- f) No revenue has been derived from undertaking recovery of wages activity during the reporting period

This declaration is made in accordance with a resolution of the Committee of Management

For Committee of Management: Robert Sanford

Title of Office held: President

Signature



Date: 9 April 2019

**CFMEU - MINING AND ENERGY DIVISION OF WA
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2018
OPERATING REPORT**

The Committee of Management present their report, together with the financial statement of the reporting entity for the financial year ended 31 December 2018

1. General Information

Information on Committee of Management

information on each person who has been on the Committee of Management during the year and to the date of this report are:

Name	Position	Period of Appointment
Gary Wood	District Secretary	1 January 2018 to 23 March 2018
Greg Busson	District President	1 January 2018 to 23 March 2018
Greg Busson	District Secretary	23 March 2018 to 31 December 2018
Robert Sanford	District President	23 March 2018 to 31 December 2018
Vic Arriagada	District Vice President	1 January 2018 to 31 December 2018
Paul Steele	District Vice President	1 January 2018 to 31 December 2018
Robert Sanford	Board of Management	1 January 2018 to 23 March 2018
Brenton Wood	Board of Management	1 January 2018 to 31 December 2018
Paul Bloxsom	Board of Management	1 January 2018 to 31 December 2018
Danielle Hage	Board of Management	1 January 2018 to 31 December 2018

Principal Activities

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

- Adherence to the rules of the District in furtherance of the objects of the Union consistent with the industrial relations legislation
- Implementation of the decisions of the District Executive and Committee of Management.
- Implementation of the Union's organising agenda, including assistance and advice on organising site projects, the training and development of officials and planning and resourcing campaigns
- Industrial support including assistance with legal and legislative matters
- The administration and variation of federal and state awards.
- Negotiation and registration of certified industrial instruments on behalf of members consistent with the objects of the Workplace Relations Act and the Union rules
- Media and other communication to members and the broader local communities of the District on issues affecting the rank and file.
- Monitoring and improving the health and safety of members.

No significant change occurred in these activities during the year.

The Committee of Management are pleased to report that generally they have been successful in achieving the objectives of the entity

Operating Results

The entity made a loss of \$47,418 (2017: Profit of \$19,129) for the year ended 31 December 2018.

**CFMEU - MINING AND ENERGY DIVISION OF WA
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2018
OPERATING REPORT**

2. Other Items

Significant Changes In Financial Affairs

There have been no significant changes in the state of financial affairs of the entity during the year

Events after the Reporting Date

No matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operation or the state of affairs of the entity in future financial years.

Right of Members to Resign

All members of the Union have the right to resign in accordance with Rule 5 (iv) (a) of the Union Rules [and section 174 of the *Fair Work (Registered Organisation) Act 2009*], namely by providing written notice addressed and delivered to a Lodge Secretary or authorised delegate.

Superannuation Trustees

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

Number of Members

There were 1,101 members of the Union as at 31 December 2018 (2017: 1,210)

Number of Employees

As at 31 December 2018 the Union had 2 employees (2017: 2)

Signed in accordance with a resolution of the Committee of Management:



Robert Sanford
District President
Date: 9 April 2019
Perth, WA

**CFMEU - MINING AND ENERGY DIVISION OF WA
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2018
OPERATING REPORT**

CFMEU MINING AND ENERGY DIVISION WA

REPORT REQUIRED UNDER SUBSECTION 255(2A)

for the year ended 31 December 2018

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2018.

Descriptive form

Categories of expenditures	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses - employees	269,102	224,232
Advertising	1,166	1,598
Other Operating costs	582,232	602,761
Donations to political parties	-	11,168
Legal costs	-	36,248

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash assets	4	488,132	512,080
Receivables	5	146,087	154,888
Total Current Assets		634,219	666,968
Non-Current Assets			
Property, plant and equipment	6	38,613	39,329
Total Non-Current Assets		38,613	39,329
TOTAL ASSETS		672,832	706,297
LIABILITIES			
Current Liabilities			
Payables	7	71,567	48,552
Current tax liabilities	8	3,251	13,430
Provisions	9	13,979	12,862
Total Current Liabilities		88,797	74,844
TOTAL LIABILITIES		88,797	74,844
NET ASSETS		584,035	631,453
Equity			
Balance at 1 January		631,453	612,324
(Loss)/Profit for the year		(47,418)	19,129
Total Members' Funds		584,035	631,453

The accompanying notes form part of these financial statements

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
Revenue	2	805,082	895,136
Gross profit		805,082	895,136
Administration expenditure		(852,500)	(876,007)
(Loss)/Profit for the year		(47,418)	19,129
Other comprehensive income		-	-
Total comprehensive income for the year		(47,418)	19,129

The accompanying notes form part of these financial statements

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF CHANGES IN EQUITY

	2018	2017
	\$	\$
Balance at 1 January	631,453	612,324
(Loss)/Profit for the year	(47,418)	19,129
Balance at 31 December	584,035	631,453

The accompanying notes form part of these financial statements

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
Income			
Members subscriptions		807,278	876,026
Reimbursements		28,839	20,320
Interest received		46	125
Profit/(loss) sales merchandise		36	188
Profit/(loss) on sale of PP&E		(31,117)	(1,523)
Total income		805,082	895,136
Expenses			
Accountancy		6,500	3,520
Audit fees		9,000	5,000
Capitation fees - CFMEU National	12	347,578	352,161
Affiliation fees – Other	12	14,601	9,956
Advertising and promotion		1,166	1,598
Bad debt write-off		-	92,790
Bank fees and charges		4,590	5,696
Computer costs		-	1,323
Depreciation		9,403	3,226
Donations		9,812	20,632
Expenses executive		1,773	1,182
Expenses delegates		-	5,848
Fringe benefits tax		-	3,108
General expenses		54,060	10,627
Hire/rent of Plant & Equipment		7,730	8,483
Holiday pay provision		1,118	(97,153)
Insurance		15,736	12,537
Legal fees		-	36,248
Long service leave provision		-	(3,119)
Meeting costs		7,656	1,551
Motor vehicle expenses		14,329	11,151
Postage, printing & stationery		3,147	6,845
Rent on land & buildings		20,280	16,120
Repairs & maintenance		102	-
Salaries & wages - office holders		187,200	230,634
Salaries & wages - non- office holders		66,948	81,421
Superannuation - office holders		13,836	12,449
Subscriptions		1,814	2,329
Superannuation - non- office holders		6,261	7,051
Telephone		7,024	4,875
Travel and Accommodation		40,836	27,918
Total expenses		852,500	876,007
(Loss)/Profit for the year		(47,418)	19,129

The accompanying notes form part of these financial statements

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 \$	2017 \$
Cash Flow from Operating Activities		
Receipts from customers	844,955	897,737
Payments to Suppliers and employees	(829,144)	(921,075)
Interest received	46	125
Net cash provided by (used in) operating activities (note ii)	15,857	(23,213)
Cash Flow from Investing Activities		
Proceeds from sale of property, plant and equipment	-	4,000
Purchase of property, plant & equipment	(39,805)	(33,174)
Net cash provided by (used in) operating activities (note ii)	(39,805)	(29,174)
Net Increase/(decrease) in cash held	(23,948)	(52,387)
Cash at the beginning of the year	512,080	564,467
Cash at the end of the year (note i)	488,132	512,080

The accompanying notes form part of these financial statements

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
Note i. Reconciliation Of Cash		
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.		
Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash at bank	389,431	413,472
Leave account	98,701	98,608
	488,132	512,080

Note ii. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit

Operating profit (loss) after tax	(47,418)	19,129
Non-Cash Flows in Profit from Ordinary Activities:		
Depreciation	9,403	3,226
Net loss on disposal of property, plant and equipment	31,117	1,523
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	8,802	93,993
Increase (decrease) in trade creditors and accruals	12,836	(40,811)
Increase (decrease) in employee entitlements	1,117	(100,273)
Net cash provided by operating activities	15,857	(23,213)

Note iii. Cashflow information to and from the other reporting unit

Cash Inflows:		
CFMEU Mining & Energy National Office	176,724	19,491
Cash Outflows:		
CFMEU Mining & Energy National Office	471,019	578,182

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 1: Summary of Significant Accounting Policies

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009. The committee has determined that the reporting unit is a not for profit reporting entity.

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report

(a) Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Plant & Office equipment is depreciated at rates between 5% - 40% and Motor Vehicles are depreciated at a rate of 25%.

(b) Impairment of Assets

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

(c) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(e) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

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

(f) Goods and Services Tax (GST)

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

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 1: Summary of Significant Accounting Policies (continued)

(g) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(h) Income Tax

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

(i) Adoption of new and revised accounting standards

AASB 9 Financial Instruments became effective from the 1 January 2018. Management have determined that the adoption of this amended standard has not had a material impact on the Union.

(j) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The following paragraphs summarise those future requirements and their impact on the Union where the standard is relevant.

AASB 1058: Income of Not-for-Profit Entities

Applicable to annual reporting periods beginning on or after 1 January 2019. This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated.

Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004 Contributions.

AASB 1058 is not expected to significantly impact the Union's financial statements.

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 1: Summary of Significant Accounting Policies

(j) New Accounting Standards and Interpretations (continued)

AASB 16 Leases

AASB replaces the current AASB 17 lease standard. AASB 16 removes the classification of leases as either operating leases or finance leases, effectively treating all leases as finance leases. Most leases will be capitalized on the balance sheet by recognizing a "right-of-use" asset and a lease liability for the present value obligation. This will result in an increase in the recognized assets and liabilities in the statement of financial position as well as a change in expense recognition, with interest and depreciation replacing operating lease expense.

Lessor accounting remains similar to current practice, i.e. lessors continue to classify leases as finance and operating leases.

The standard is mandatory for annual reporting periods beginning on or after 1 January 2019. At this stage, the Union does not intend to adopt the standard before its effective date and does not expect its impact to be significant

(k) Financial Instruments

Non-derivative financial liabilities

Trade and other payables

Liabilities are recognised for amounts to be paid for goods or services received. Trade payables are settled on terms aligned with the normal commercial terms in the Union's operation. They are measured at amortised cost using the effective interest rate method.

Non-derivative financial assets

Loans and receivables are fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Union's trade and most other receivables fall into this category of financial instruments.

Impairment

For trade receivables the union applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 \$	2017 \$
Note 2: Income		
Revenue:		
Membership Subscriptions	807,278	876,026
Reimbursements	28,839	20,320
Interest revenue	46	125
Profit/loss on sale of Merchandise and Property, Plant and Equipment	(31,081)	(1,335)
Levies - There were no compulsory or voluntary levies during the period	-	-
Capitation fees received	-	-
Grants or Donation - There were no grants or donations received during the period	-	-
	805,082	895,136

Note 3: Expenses

Profit (loss) from ordinary activities before income tax has been determined including the following expenses:

Fees incurred as consideration for employers making payroll deductions of membership subscriptions	-	-
Compulsory Levies Imposed	-	-
Fees or allowances paid to person to attend conferences or meetings as a representative of the reporting unit	-	-
Expenses incurred with holding meeting of members or any conferences or meetings of Councils, committees, panels or other bodies.	40,836	27,918
Penalties imposed under the RO Act	-	-

Grants or Donations

(No Grants were made during the period)

Grants less than \$1,000	-	-
Grants exceeding \$1,000	-	-
Donations less than \$1,000	812	1,632
Donations exceeding \$1,000	9,000	19,000

Legal Costs

Other legal matters	-	36,248
Litigation	-	-

(No legal costs were incurred for litigation during the period)

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
Note 4: Cash assets		
Bank accounts:		
Cash at bank	389,431	413,472
Leave account	98,701	98,608
	488,132	512,080

Note 5: Receivables

Current

Trade debtors	146,087	154,888
Other Debtors	-	-
	146,087	154,888

There were no receivables from other reporting units, included in trade debtors.

Note 6: Property, Plant and Equipment

Plant and equipment:		
- At cost	52,574	48,885
- Less: Accumulated depreciation	(43,942)	(42,501)
Motor vehicles:		
- At cost	36,116	33,172
- Less: Accumulated depreciation	(6,135)	(227)
	38,613	39,329

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 6: Property, Plant and Equipment (continued)

(a) Movements in carrying amounts of property, plant and equipment

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

	Plant & Equipment \$	Motor Vehicles \$	Total \$
Year ended 31 December 2018			
Balance at the beginning of year	6,383	32,946	39,329
Additions	3,689	36,116	39,805
Disposals - written down value	-	(31,117)	(31,117)
Depreciation expense	(1,440)	(7,963)	(9,403)
Balance at the end of the year	8,632	29,981	38,613
Year ended 31 December 2017			
Balance at the beginning of year	7,608	7,296	14,904
Additions	-	33,174	33,174
Disposals - written down value	-	(5,523)	(5,523)
Depreciation expense	(1,225)	(2,001)	(3,226)
Balance at the end of the year	6,383	32,946	39,329

Note 7: Payables

	2018 \$	2017 \$
Unsecured:		
- Trade creditors	70,102	45,648
- Superannuation payable	1,465	1,758
- Other Creditors	-	1,146
- Payable for employers making payroll deductions of membership subscriptions	-	-
Legal fees Payable - Litigation	-	-
Legal Fees Payable - Other legal matters	-	-
	71,567	48,552
Amounts owing to other reporting unit		
CMEU Mining & Energy National Office	67,188	32,468

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
Note 8: Tax Liabilities		
Current		
GST payable control account	15,742	(23,498)
Input tax credit control account	(17,214)	30,265
FBT Instalments	761	761
Amounts withheld from salary and wages	3,962	5,902
	3,251	13,430

Note 9: Employee Benefits

Current

Total employee benefits attributable to:

Office Holder:

- Annual Leave	13,430	12,172
- Long Service Leave	-	-
- Separation and Redundancies	-	-
- Other employee provisions	-	-

Employees other than Office Holders:

- Annual Leave	549	690
- Long Service Leave	-	-
- Separation and Redundancies	-	-
- Other employee provisions	-	-

Aggregate employee entitlements liability	13,979	12,862
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Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual and long service leave for employees.

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
Note 10: Remuneration of Auditor		
Total amounts received and receivable by the auditors of the union for:		
Audit of the Union' s financial report	9,000	5,000
Other Accounting Services	6,500	3,250
Note 11: Key Management Personnel Disclosures		
Key management personnel remuneration included within employee expenses for the year is shown below:		
Office Holder:		
Short term employee benefits		
Salary (including annual leave paid and accrued)	188,458	230,634
Long-term benefits		
Long Service Leave	-	-
Post-employment benefits		
Superannuation	13,836	12,449
Termination benefits	-	-
	202,294	243,083
Employees other than Office Holders:		
Other Employees		
Salaries (including annual leave paid and accrued)	66,808	81,421
Superannuation	6,261	7,051
Other Benefits	-	-
Separations and redundancies	-	-
	73,069	88,472

Note 12: Related Parties

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

Affiliation Fees Paid:

CFMEU National	347,578	352,162
Unions WA	2,744	2,889
ALP WA Branch	11,857	7,067

Note 13: Events Subsequent to Reporting Date

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

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 14: Critical Accounting Estimates and Judgements

The Committee of Management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

Any significant estimates and judgements made have been described below.

Note 15: Additional disclosures required under the *Fair Work (Registered Organisations) Act 2009* Events Subsequent to Reporting Date

As required under the reporting guidelines provided for under section 255 of the *Fair Work Act (Registered Organisations) Act 2009*, it is confirmed that:

1. The Union's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit;
2. The Union has not agreed or does not have an agreement to provide financial support to another reporting unit to ensure its ability as a going concern; and
3. The Union has not acquired an asset or liability as a result of amalgamation, restructure or alternative reporting unit determination or revocation.
4. The financial affairs of the Union are not administered by a third party.

Note 16: Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of the members is drawn to the provisions of Sub sections (1) to (3) of Section 272, which reads as follows:

Information to be provided to members or the General Manager of the Fair Work Commission:

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

Note 17: Recovery of Wages Activity

No recovery of Wages activity was carried out by the Union for the year ended 31 December 2018 (2017:Nil).

Note 18: Capital Expenditure Commitments

There are no capital expenditure commitments for the 12 months ended 31 December 2018.

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 19: Financial Risk Management

Financial risk management policies

The Union's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2018	2018
		\$	\$
Financial Assets			
Cash and cash equivalents	4	488,132	512,080
Trade debtors	5	146,087	154,888
		634,219	666,968
Financial Liabilities			
Trade & sundry payables	7	71,567	48,552
		71,567	48,552

Financial Risk Management Policies

The Union's management is responsible for, among other issues, monitoring and managing financial risk exposures. The Union's management monitors the transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. The overall risk management strategy seeks to ensure that the Union meets its financial targets, whilst minimising potential cash flow shortfalls.

Specific Financial Risk Exposure and Management

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

a. Interest rate risk

The Union is not exposed to any significant interest rate risk since cash balances are maintained at variable rates and there are currently no borrowings.

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 19: Financial Risk Management (continued)

Specific Financial Risk Exposure and Management (Cont)

b. Liquidity risk

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

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

The table below reflect an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management's expectations as to the timing of realisation. Actual timing may therefore differ from that disclosed.

Financial liability and financial assets maturity analysis

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Financial liabilities								
Trade & sundry payables	71,567	48,552	-	-	-	-	71,567	48,552
Total financial liabilities	<u>71,567</u>	<u>48,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,567</u>	<u>48,552</u>
	=====	=====	=====	=====	=====	=====	=====	=====
Financial assets								
Cash & cash equivalents	488,132	512,080	-	-	-	-	488,132	512,080
Trade & other receivables	146,087	188,463	-	-	-	-	146,087	188,463
Total financial assets	<u>634,219</u>	<u>666,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>634,219</u>	<u>666,968</u>
	=====	=====	=====	=====	=====	=====	=====	=====

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

c. Foreign exchange risk

The Union is not exposed to fluctuations in foreign currencies

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 19: Financial Risk Management (continued)

Specific Financial Risk Exposure and Management (Cont)

d. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Union.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

Credit risk exposure

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet.

There is no collateral held by the Union securing trade or other receivables.

The Union has no significant concentration of credit risk with any single counterparty or group of counterparties.

e. Price risk

The Union is not exposed to any material commodity price risk.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Areas of judgement and the assumptions used have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

CFMEU - MINING AND ENERGY DIVISION OF WA
 ABN 26 591 880 340
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

Note 19: Financial Risk Management (continued)

Net Fair Values (Cont)

	Footnote	2018		2017	
		Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
		\$	\$	\$	\$
Financial assets					
Cash & cash equivalents	(i)	488,132	488,132	512,080	512,080
Trade & other receivables	(i)	146,087	146,087	154,888	154,888
Total financial assets		634,219	634,219	666,968	666,968
		=====	=====	=====	=====
Financial liabilities					
Trade & sundry payables	(i)	71,567	71,567	48,552	48,552
Total financial liabilities		71,567	71,567	48,552	48,552
		=====	=====	=====	=====

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

- (i) Cash and cash equivalents, trade and other receivables, other current assets and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value.

AUDITORS REPORT TO THE MEMBERS OF CFMEU MINING & ENERGY DIVISION OF WA

Audit Opinion

In our opinion:

- i. there were kept by the reporting unit 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, and statements on pages 4 to 22 have been prepared in accordance with Australian Accounting Standards, and are properly drawn up in accordance with the rules of the reporting unit, and so as to give a true and fair view of,
 - a) the financial position of the reporting unit as at 31 December 2018, and its financial performance and its cashflows for the year ended on that date
 - 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); and
 - c) the income and expenditure and surplus of the reporting unit for the 12 months ended on that date.
- iii. Management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.

Report on the Financial Report

We have audited the financial statements of the CFMEU Mining & Energy Division for the 12 months ended 31 December 2018, 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 detailed Profit and Loss Statement, the notes to the financial statements, including a summary of significant accounting policies, the Committee of Management Statement and subsection 255(2A) report

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditors Responsibilities for the Audit of the Financial Report* section of our report. I am independent of the reporting unit in accordance with 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the code.

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

Information Other than the Financial Statements

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 statements.

Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in so doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We have nothing to report in this regard.

Management Committees' Responsibility for the Financial Report

The Committee of Management of the reporting unit 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 financial statements that 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.

In preparing the financial statements, 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 to have no realistic alternative but to do so.

Auditors Responsibility

We have conducted an independent audit of these financial statements in order to express an opinion on them to the Members of the reporting unit.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements 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 Reporting Unit 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_responsibilities/ar4.pdf. This description forms part of our auditor's report.

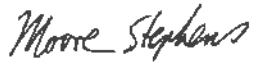
The audit opinion expressed in this report has been formed on the above basis.

I declare that I am an approved auditor required under the RO Act, a Fellow of CAANZ 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 we are required to describe any deficiencies, failure or shortcomings in respect of the matters referred to in section 252 and 257(2) of the RO Act.

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



MOORE STEPHENS
CHARTERED ACCOUNTANTS
PERTH



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

Signed at Perth this 12th day of April 2019

CFMEU Mining & Energy Division of WA
S.268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 31 December 2018

I Gregory Buisson, being the Secretary of the CFMEU Mining & Energy Division of WA certify;

- That the documents lodged herewith are copies of the full report for the CFMEU Mining & Energy Division of WA 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 12th April 2019; and
- That the full report was presented to a general meeting of members OR a meeting of the Committee of Management of the reporting unit on 27th May 2019 in accordance with S 268 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer _____

Name of prescribed officer _____

Gregory Buisson

Title of prescribed officer _____

Secretary

Dated: _____

11th June 2019



21 January 2019

Mr Gregory Busson
District Secretary
Construction, Forestry, Maritime, Mining and Energy Union-Mining and Energy Division Western
Australia District Branch
By Email: cfmeumwa@highway1.com.au

Dear Mr Busson,

**Re: Lodgement of Financial Report - [FR2018/299]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Construction, Forestry, Maritime, Mining and Energy Union-Mining and Energy Division Western Australia District Branch (the reporting unit) ended on 31 December 2018. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, namely on or before 31 March 2019.

The attached fact sheet *Loans Grants and Donations (FS 009)* summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty. Currently penalties are up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual and may be imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines (FS 008)* summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on its rules) no later than 30 June 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported (see attached *Loans Grants and Donations* fact sheet FS 009). The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement.

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the

ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty, as set out above, being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Subsection 255(2A) report

A general purpose financial report prepared under section 253 of the RO Act must also include the expenditure report required to be prepared under subsection 255(2A) as prescribed by reporting guideline 22. A copy of the latest reporting guidelines for the purpose of section 253 is available on our [website](#).

It should be noted that the subsection 255(2A) report must be identified by title in the auditor's report in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

A [fact sheet](#) is available on our website which provides guidance on the reporting requirements under subsection 255(2A) of the RO Act.

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,

Kylie Ngo
Registered Organisations Commission

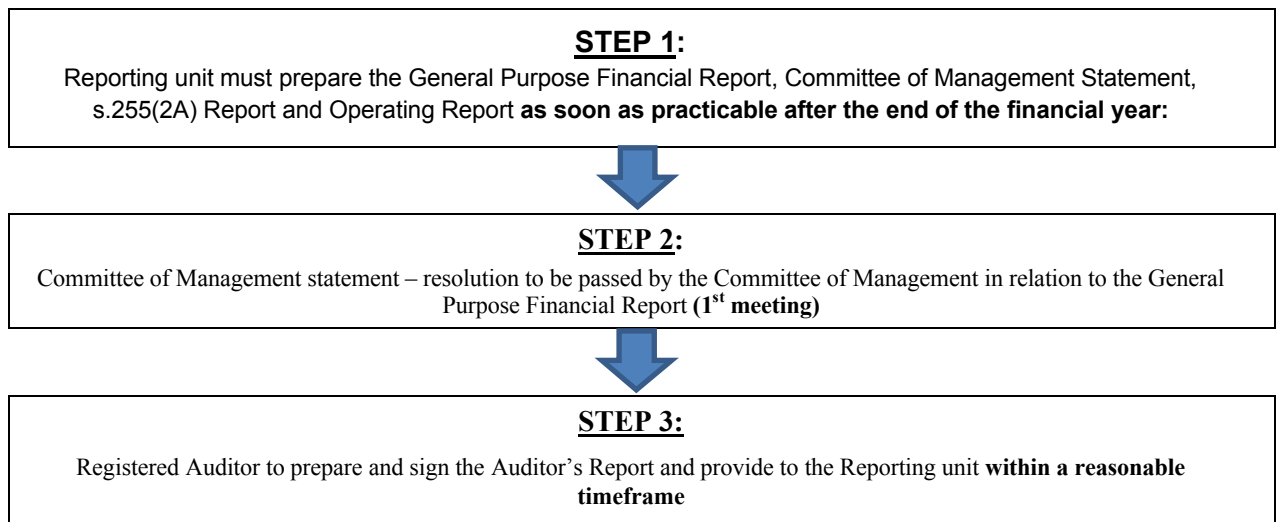


Fact sheet

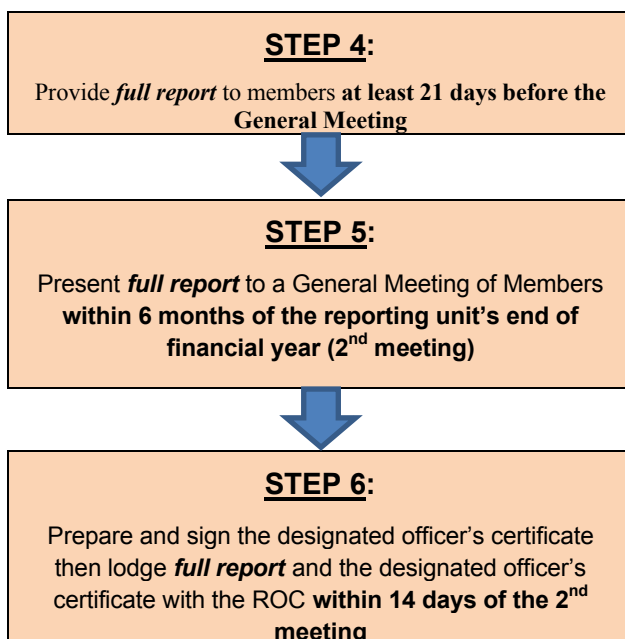
Summary of financial reporting timelines – s.253 financial reports

General Information:

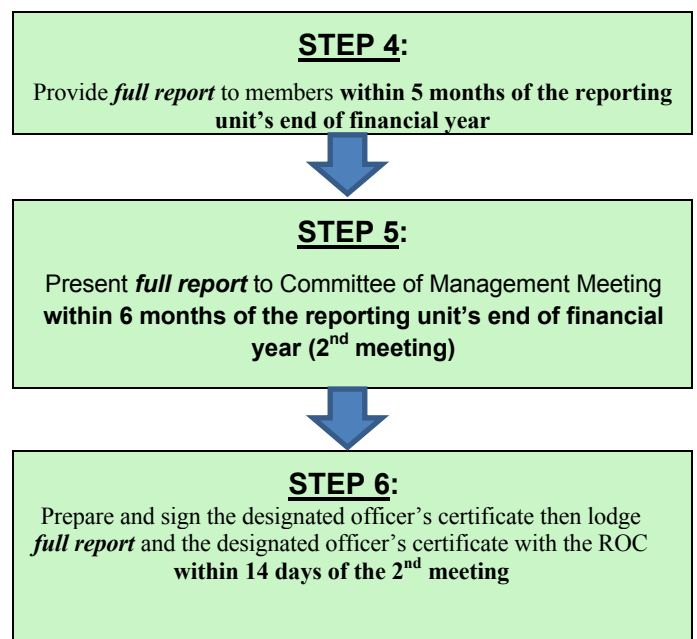
- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT
AT **GENERAL MEETING OF MEMBERS**
(this is the default process in the RO Act)



IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT
COMMITTEE OF MANAGEMENT MEETING
(Special rules must be in the rulebook to use this process)



Misconceptions

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

Misconception	Requirement
✗ The Committee of Management statement is just copied from the Reporting Guidelines	✓ The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made
✗ The Auditor's Report does not need to be signed until just before it is lodged with the ROC	✓ The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting
✗ The Designated Officer's Certificate must be signed before the report is sent to members	✓ The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting
✗ Documents can be dated when they should have been signed or when the events in the document occurred	✓ Documents must always be dated at the date they are actually signed by an officer or auditor
✗ Any auditor can audit a financial report	✓ Only registered auditors can audit the financial report
✗ The Committee of Management statement can be signed at any time	✓ The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated
✗ Any reporting unit can present the Full Report to a second COM meeting	✓ Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members
✗ Everything can be done at one Committee of Management meeting	✓ If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u> . The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)
✗ The reporting unit has 6 months and 14 days to lodge their financial report with the ROC	✓ The reporting unit must lodge the financial report within 14 days of the second meeting

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.



Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

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

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

The Loans, Grants & Donations Statement

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

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

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

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

Common misconceptions

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

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

Grants & Donations within the Financial Report

Item 14(e) of the Commissioner’s Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

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

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

Note 4E: Grants or donations*

Grants:	2017	2016
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner’s Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer’s declaration statement, even if the figures are NIL.

Implications for filing the Financial Report

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

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

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

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

Previous financial reports and filing letters are available from the website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.