



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Ref: FR2005/601

Mr Kevin Reynolds
State Secretary
Construction, Forestry, Mining and Energy Union
Western Australian Branch
PO Box 6681
EAST PERTH WA 6892

Dear Mr Reynolds

Financial Return - year ending 31 December, 2005

Our records show your organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

Legislation

This letter is intended as guide to the law applicable on the date of this letter and should not be used as a substitute for legal or accounting advice. We only summarise some of the reporting requirements in this letter. More detailed information is at the end of this letter.

In May 2003 the Industrial Registrar wrote to all organisations forwarding a number of facts sheets outlining the major changes made by Schedule 1B of the Workplace Relations Act 1996 ('RAO'¹). While the immediate changes affected the rules and elections in organisations, the changes affecting financial returns involve a longer lead time.

The key differences under the new legislation affecting financial returns are:

- a reduced financial reporting cycle (now maximum periods of 5 or 6 months depending on internal arrangements of organisation)
- a greater emphasis given to Australian Accounting Standards
- the introduction of a new report, known as an Operating Report (broadly similar in concept to a Director's Report under the corporations legislation)
- extensions of time are limited to one month
- restructured penalty provisions involving more extensive use of Civil Penalties
- the introduction of the Industrial Registrar's Reporting Guidelines
- organisations and their branches to report according to their financial structures, known as 'reporting units'.

We recommend you discuss the new requirements with your accountant or auditor.

¹ Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the *Workplace Relations Act 1996*)

Reporting Unit

One of the new concepts of the RAO legislation is that reporting entities are known as "*reporting units*". Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will refer to your organisation as a reporting unit in this letter.

Industrial Registrar's Guidelines

The Industrial Registrar's reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit's economic support of, or economic dependency on, other reporting units of the organisation.

Timeline Planner and Checklist

We have attached a Timeline/Planner (*Attachment A*) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (*Attachment B*) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar's Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor's Report, comprise the reporting unit's financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar's Reporting Guidelines. The GPFR consists of:

Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255); and

Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C)

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

First Meeting (Committee of Management)

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

The Auditor

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

The Second Meeting - if it is a General Meeting of Members

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval and the second meeting is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

The Second Meeting - if it is a Committee of Management Meeting

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au). When lodging the financial return please quote: **FR2005/601**.

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certification for illustrative purposes is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

Complying with time limits

This letter has outlined some of the steps in preparing and lodging your return. Many of the steps must be completed within fixed time limits.

Failure to complete them in time could make your reporting unit or its officers liable to financial or "civil penalties".

Extensions of Time

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed can be no more than one month.

Reduced Reporting Requirements

If your reporting unit meets certain conditions, some of these reporting requirements can be reduced. Such conditions might be where the annual income of the reporting unit (where the reporting unit is the whole of the organisation) is less than \$100,000, or **where the reporting unit has no financial affairs in the financial year**, or where the financial affairs of the reporting unit are encompassed by the financial affairs of its counterpart State industrial association.

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at belinda.penna@air.gov.au as early as possible if you believe preparation or lodgment of your return **will** be delayed or if you have any queries. We can offer you advice on procedure but we cannot give you legal or accounting advice.

Information on AIRC Website

We recommend you and your accountant/auditor refer to the following documents on the Commission's website at www.airc.gov.au:

- [RAO Schedule and RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the new requirements of the RAO Schedule - many of them deal with financial reporting matters.

Yours sincerely



For Deputy Industrial Registrar
27 January 2006

CFMEU

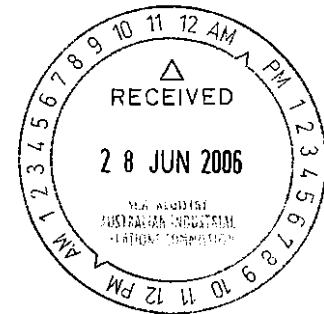
WESTERN AUSTRALIAN BRANCH

82 Royal Street
EAST PERTH WA 6004

POSTAL ADDRESS
PO Box 6681
EAST PERTH WA 6892

27 June 2006

Industrial Registrar
Australian Industrial Relations Commission
80 William Street
EAST SYDNEY NSW 2011



Dear Sir/Madam

**Re: Workplace Relations Act 1996 – Section 271 Schedule 1B
Application for Certificate**

I am Secretary of the Construction, Forestry, Mining and Energy Union WESTERN AUSTRALIAN Branch (“the Branch”) and occupied that position for the financial year ending 31 December 2005 (“the financial year”). I am authorised under the rules to act on behalf of the Branch.

Pursuant to The Registration and Accountability of Organisations Schedule (“RAO Schedule”), Schedule 1B of Workplace Relations Act 1996 (“the Act”), I hereby apply for a certificate of exemption for the Branch in respect of the financial year ending 31 December 2005.

In support of this application I submit as follows;

1. The CFMEU consists of a number of Divisions.
2. There exists a number of Divisional Branches within these Divisions. Such Divisional Branches function within a designated geographical area, in most cases being the State or Territory in which they are established.
3. The CFMEU and each Division and Divisional Branch thereof submit annual financial returns in accordance with the Act.
4. The CFMEU State Branches, including the Branch, consist of the members and officers of each Divisional Branch in each State or Territory.
5. The Branch has not traded or carried out financial transactions of any kind during the relevant financial year.
6. The Branch has not had an account with the Bank or any other financial institution nor has it had custody of any real property or monies during the relevant financial year.

7. The Branch has not expended economic resources or incurred any financial obligations to conduct its activities.
8. No other reporting unit of the organisation expends its own economic resources or incurs financial obligations so that the Branch may conduct its activities.
9. No other person or body corporate or trust expends its own economic resources or incurs financial obligations so that the Branch may conduct its activities.
10. Accordingly the Branch had no reason to keep accounting records during the financial year.
11. Notwithstanding the above, the Branch has functioned in accordance with the rules of the CFMEU including the rules relating to branches.

Pursuant to s271(3) I would request an extension of time to the date of lodgement of this correspondence at the Registry for the making of the application contained herein.

Yours faithfully



KEVIN REYNOLDS
Secretary
CFMEU Western Australian Branch



Australian Government
Australian Industrial Registry

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Mr Kevin Reynolds
State Secretary
Construction, Forestry, Mining and Energy Branch
Western Australian Branch
PO Box 6681
EAST PERTH WA 6892

Dear Mr Reynolds

**Re: Application for certificate of exemption from requirements of Chapter 8 Part 3 of
Schedule 1 of the Workplace Relations Act 1996 (FR2005/601)**

I refer to your application dated 27 June 2006 for the above certificate in respect of the Western Australian Branch of the Construction, Forestry, Mining and Energy Branch for the financial year ending 31 December 2005.

I have allowed your application to be made after the 90 days prescribed in subsection 271(3) of Schedule 1. In relation to future applications by the branch please note the requirement to make the application within 90 days of the end of the financial year.

The application has been granted. The certificate is enclosed.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Barry Jenkins'.

Barry Jenkins
Deputy Industrial Registrar

14 August 2006

Workplace Relations Act 1996

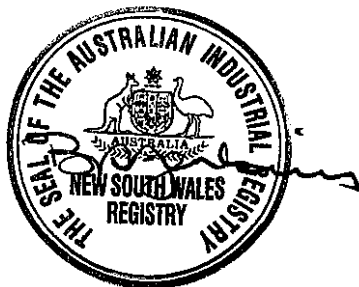
s.271 RAO Schedule - certificate of exemption from requirements of Chapter 8 Part 3

Construction, Forestry, Mining and Energy Union
(FR2005/601)

CERTIFICATE

On 27 June 2006 an application was made under subsection 271(1) of Schedule 1 of the *Workplace Relations Act 1996* for a certificate of exemption by the Western Australian Branch of the Construction, Forestry, Mining and Energy Union, in respect of the financial year ending 31 December 2005.

I CERTIFY that I am satisfied that the branch did not have any financial affairs in the financial year ending 31 December 2005.



DEPUTY INDUSTRIAL REGISTRAR

14 August 2006