



16 August 2018

Mr Michael Ravbar
Divisional Branch Secretary
Construction, Forestry, Maritime, Mining and Energy Union-Construction and General Division,
Queensland Northern Territory Divisional Branch
By email: queries@qld.cfmeu.asn.au
CC: Shaun.Lindemann@pkf.com.au

Dear Mr Ravbar,

**Construction, Forestry, Maritime, Mining and Energy Union-Construction and General Division, Queensland Northern Territory Divisional Branch
Financial Report for the year ended 31 March 2018 - [FR2018/4]**

I acknowledge receipt of the financial report of the Construction, Forestry, Maritime, Mining and Energy Union-Construction and General Division, Queensland Northern Territory Divisional Branch (CFMMEU-QLD). The documents were lodged with the Registered Organisations Commission (the ROC) on 25 June 2018.

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 March 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged, however 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.

Committee of Management Statement

Reference to s.272 & 273

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, with effect from 1 May 2017, section 272 refers to the Commissioner of the ROC instead of the General Manager, Fair Work Commission. Section 273 continues to refer to the Fair Work Commission.

The CFMMEU-QLD Committee of Management statement at reference (b) refers to the 'General Manager' of the Fair Work Commission. In future, please ensure this reference is to the 'Commissioner'. In addition, the CFMMEU-QLD Committee of Management statement at reference (e)(vi) refers to the 'Registered Organisations Commission'. In future, please ensure this reference is to the 'Fair Work Commission'.

Reporting Requirements

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

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

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at david.vale@roc.gov.au.

Yours faithfully

A handwritten signature in blue ink that reads "David Vale". The signature is written in a cursive style with a horizontal line underneath the name.

David Vale
Registered Organisations Commission

CFMEU

QLD/NT

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

ABN 24 502 631 846

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

CONTENTS

Page No

Committee of Management Operating Report..... 3
Committee of Management Statement..... 6
Statement of Comprehensive Income 7
Statement of Financial Position 8
Statement of Changes in Equity 9
Statement of Cash Flows..... 10
Statement of Receipts and Payments for Recovery of Wages 11
Notes to the Financial Statements..... 12
Independent Auditor’s Report..... 46
Designated Officer Certificate..... 48

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

COMMITTEE OF MANAGEMENT OPERATING REPORT

FOR THE YEAR ENDED 31 MARCH 2018

Operating Report

In accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* the Committee of Management ("the Committee") presents its Operating Report on the Construction, Forestry, Maritime, Mining & Energy Union Construction & General Division Queensland Northern Territory Divisional Branch ("Union"), for the year ended 31 March 2018.

Principal Activities

The principal activities of the Union, fall into the following categories:

- Implementation of the decisions of the Divisional Branch Executive, Divisional Branch Management Committee and resolutions of the State Delegates' convention.
- The development and implementation of the Union policy through effective communications with members at the workplace.
- The administration of State awards, the variation of awards following major test cases (ie State wage case) and making other variations to awards for other industrial matters.
- Industrial support including representation of members grievances and/or advice at their workplaces and/or through the various industrial tribunals (ie Industrial Relations Commission, Workers Compensation etc).
- Ongoing communication to members and the broader community through meetings, rallies, media releases, journals and flyers.
- Growing the organisation through good on the job organisation and strong links between the organisers and members.

The results of those activities were ongoing in providing effective leadership to officers, organisers, delegates and membership in the development, advancement and delivery of policy through a delegation of responsibilities and effective communication strategies in the areas of organising, policy/administration, and Industrial Relations/ Training/ Workcover.

There were no significant changes to the nature of those activities during the period.

Operating Results

The operating surplus for the financial year amounted to \$1,697,701 (3 months ending 31 March 2017: \$380,803)

Significant Changes in Financial Affairs

There was no significant change in the financial affairs of the Union during the year.

Events subsequent to reporting date

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

Future Developments

Likely developments in the operations of the Union and the expected results of those operations in future financial years have not been included in this report as such information is likely to result in unreasonable prejudice to the Union.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

COMMITTEE OF MANAGEMENT OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Environmental Issues

The Union's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Members Right to Resign

Members have the right to resign from the Union in accordance with section 174 of the *Fair Work (Registered Organisations) Act 2009*.

Officers or Members who are Superannuation Fund Trustees/ Director of a Company that is a Superannuation Fund Trustee

Those who hold a position of trustee or director of an entity, scheme or company as described in s.254 (2) (d) of the *Fair Work (Registered Organisations) Act 2009*, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation are as follows:

Paula Masters	- Member of the Union - Director of BUSSQ
Ron Monaghan	- Member of the Union - Director of BUSSQ
William Wallace Trohear	- Member of the Union - Director of BUSSQ

Number of Members

The number of members at the end of the financial period recorded in the register of members and taken to be members of the Union was 18,135 (2017: 19,480).

Number of Employees

The number of full-time equivalent employees of the Union at the end of the financial year was 50 (2017: 51.2).

Members of the Committee of Management

The name of each person who has been a member of the committee of management of the Union at any time during the reporting period, and the period for which he or she held such a position is as follows:

Name	Period of appointment
Michael Ravbar	Whole period
Royce Kupsch	Whole period
Steve Gaske	Whole period
Dallas Ezzy	Whole period
Ian McKewin	Whole period
Jade Ingham	Whole period
Andrew Sutherland	Whole period
Keith Murphy	Whole period
Peter Close	Whole period
Jack Cummins	Whole period

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

COMMITTEE OF MANAGEMENT OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Indemnifying Officers or Auditors

The Union has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against liability for the costs or expenses to defend legal proceedings.

Wages Recovery Activity

The Union has not undertaken any recovery of wages activity for the financial years ended 31 March 2018 and 31 March 2017.

Disclosure Statements - Remuneration and Non-Cash Benefits of Highest Paid Officers

The five highest paid officers of the Union for the disclosure period ended 31 March 2018 and the amounts of the relevant remuneration paid to them and the value or form of non-cash benefits received by them are set out in Note 13 of the financial statements.

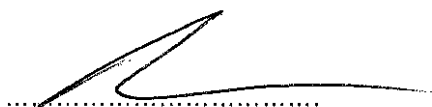
Disclosure Statements – Loans, Grants and Donations

A copy of the loans, grants and donations register of the Union have been disclosed as described under s. 237 of the *Fair Work (Registered Organisations) Act 2009*.

Disclosure by the Union of Payments to Related Parties or Declared Persons

The Union has made no reportable payments to any related party or declared person or body of the Union in the year ended 31 March 2018.

This report is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee of Management by:



Michael John Ravbar
Divisional Branch Secretary

30 May 2018

Brisbane

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

On 30 May 2018, the Committee of Management of the Construction, Forestry, Maritime, Mining & Energy Union, Construction & General Division, Queensland Northern Territory Divisional Branch ("Union") passed the following resolution to the General Purpose Financial Report (GPFR) of the reporting unit for the year 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 the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the 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 and the rules of the Union concerned; and
 - ii. the financial affairs of the Union have been managed in accordance with the rules of the organisation including the rules of the Union concerned; and
 - iii. the financial records of the Union 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 Commissioner duly made under section 272 of the *RO Act*, that information has been provided to the member or Commissioner; and
 - vi. where any order for inspection of the financial records has been made by the Registered Organisations Commission under section 273 of the *RO Act*, there has been compliance.
- (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.

Name of Designated Officer: Michael John Ravbar

Title of Designated Officer: Divisional Branch Secretary

Signature:


.....
Date: 30 May 2018

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	31 March 2018 \$	1 January 2017 to 31 March 2017 \$
Revenue			
Membership subscription		11,830,530	2,708,063
Capitation fees		-	-
Levies	3A	1,272,256	274,216
Voluntary collections – ADSS donations		51,210	58,290
Interest	3B	120,110	38,876
Other revenue	3E	3,526,974	439,083
Total revenue		16,801,080	3,518,528
Other Income			
Grants and/or donations	3C	4,547,648	893,839
Net gains from sale of assets	3D	68,494	62,199
Total other income		4,616,142	956,038
Total income		21,417,222	4,474,566
Expenses			
Employee expenses	4A	6,638,526	1,780,007
Capitation fees	4B	790,574	230,031
Affiliation fees	4C	214,352	53,201
Administration expenses	4D	456,394	84,895
Voluntary collections		51,210	58,290
Grants or donations	4E	67,623	1,000
Depreciation and amortisation	4F	347,234	75,699
Finance costs	4G	69,197	5,395
Legal costs	4H	3,007,670	356,654
Audit fees	4I	36,214	5,000
Apprentice Schemes		4,022,648	762,589
Other expenses	4J	4,017,879	681,002
Total expenses		19,719,521	4,093,763
Surplus (deficit) for the year		1,697,701	380,803
Other comprehensive income			
Revaluation increment/(decrement) – Financial Assets		36,128	-
Total comprehensive income for the year		1,733,829	380,803

The above statement should be read in conjunction with the notes.

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
 CONSTRUCTION & GENERAL DIVISION
 QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Notes	31 March 2018 \$	31 March 2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	6,560,505	7,942,973
Trade and other receivables	5B	398,551	2,013,426
Other current assets	5C	163,642	192,136
Financial assets	5D	5,104,217	-
Total current assets		12,226,915	10,148,535
Non-Current Assets			
Trade and other receivables	5B	2,500,000	2,952,137
Property, plant and equipment	5E	1,505,055	1,575,680
Total non-current assets		4,005,055	4,527,817
Total assets		16,231,970	14,676,352
LIABILITIES			
Current Liabilities			
Trade and other payables	6A	1,681,842	2,000,950
Employee provisions	6B	1,617,802	1,612,245
Other provisions	6C	-	71,087
Revenue in Advance	6D	5,171,731	4,769,365
Total current liabilities		8,471,375	8,453,647
Non-Current Liabilities			
Employee provisions	6B	631,638	587,820
Revenue in Advance	6D	-	239,757
Total non-current liabilities		631,638	827,577
Total liabilities		9,103,013	9,281,224
Net assets		7,128,957	5,395,128
EQUITY			
Retained earnings		7,092,829	5,395,128
Financial asset revaluation reserve		36,128	-
Total equity		7,128,957	5,395,128

The above statement should be read in conjunction with the notes.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH 2018

	Retained Earnings		Financial Asset	Total
	General Fund	Compulsory Levy Defence Fund	Revaluation Reserve	
	\$	\$	\$	\$
Balance as at 1 January 2017	162,433	4,851,892	-	5,014,325
Surplus (deficit) for the period	163,813	216,990	-	380,803
Other comprehensive income for the period	-	-	-	-
Closing balance as at 31 March 2017	326,246	5,068,882	-	5,395,128
Surplus (deficit) for the year	1,325,983	371,718	-	1,697,701
Other comprehensive income for the year	-	-	36,128	36,128
Closing balance as at 31 March 2018	1,652,229	5,440,600	36,128	7,128,957

The above statement should be read in conjunction with the notes.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	31 March 2018 \$	1 January 2017 to 31 March 2017 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	7B	1,220,194	6,219
Receipts from members and other customers		14,019,760	2,013,575
Grant receipts		5,002,413	(798,166)
Interest		90,850	43,634
Dividend received		750,000	-
Other		4,044,160	3,433,247
Cash used			
Employees and suppliers		(18,846,826)	(3,767,618)
Finance cost		(69,197)	-
Payment to other reporting units	7B	(2,702,971)	(593,683)
Net cash from (used by) operating activities	7A	3,508,383	337,208
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of property, plant and equipment		377,788	227,296
Cash used			
Purchase of plant and equipment		(652,687)	(562,871)
Purchase of financial assets		(5,068,089)	-
Net cash from (used by) investing activities		(5,342,988)	(335,575)
FINANCING ACTIVITIES			
Net cash received from/(paid to) CFMEUQ	7B	452,137	-
Net increase (decrease) in cash held		(1,382,468)	1,633
Cash & cash equivalents at the beginning of the reporting period.		7,942,973	7,941,340
Cash & cash equivalents at the end of the reporting period	5A	6,560,505	7,942,973

The above statement should be read in conjunction with the notes.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
 CONSTRUCTION & GENERAL DIVISION
 QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES

FOR THE YEAR ENDED 31 MARCH 2018

	31 March 2018	1 January 2017 to 31 March 2017
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	<u>-</u>	<u>-</u>
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:		
- other union	-	-
- other entity	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	<u>-</u>	<u>-</u>
Cash assets in respect of recovered money at end of year	<u>-</u>	<u>-</u>
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-

The above statement should be read in conjunction with the notes.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

INDEX TO THE NOTES OF THE FINANCIAL STATEMENTS

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
Note 5	Assets
Note 6	Liabilities
Note 7	Cash flow
Note 8	Related party disclosures
Note 9	Contingent liabilities, assets and commitments
Note 10	Remuneration of auditors
Note 11	Financial instruments
Note 12	Fair value measurement
Note 13	Disclosure of Officers' remuneration and non-cash benefits
Note 14	Administration of financial affairs by a third party
Note 15	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>
Note 16	Union Details
Note 17	Segment Information

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of the financial statements

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 (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by IASB. For the purpose of preparing the general purpose financial statements, the Construction, Forestry, Maritime, Mining & Energy Union Construction and General Division Queensland Northern Territory Divisional Branch ('Union') is a not-for-profit entity. The Union has applied the Tier 1 reporting requirements as per the Australian Accounting Standard AASB 1053 *Application of Tiers of Australian Accounting Standards*.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Due to the change in balance date of the Union in the prior year, comparatives have been shown for the 3 months ended 31 March 2017.

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Key Estimates

Impairment – general

The Union assesses impairment at each reporting period by evaluation of conditions and events specific to the Union that may be indicative of impairment triggers. Recoverable amounts of relevant assets are assessed using value-in-use calculations which incorporate various key assumptions. No impairment has been recognised in respect of the current year.

Key Judgements

Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over the useful life of the asset and the depreciation rates are assessed when the assets are acquired or when there is a significant change that affects the remaining useful life of the asset.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the Union include:

AASB 15: Revenue from Contracts with Customers

(applicable for annual reporting periods beginning on or after 1 January 2019 for NFP entities)

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with the customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to perform obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The Committee of Management anticipate that the adoption of AASB 15 will not have a significant impact on the Union's financial statements.

AASB 16: Leases

(applicable for annual reporting periods beginning on or after 1 January 2019)

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.4 New Australian Accounting Standards (Continued)

AASB 16: Leases (Continued)

A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying AASB 107 Statement of Cash Flows.

Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or unlikely to exercise an option to terminate the lease.

Although the Committee of Management anticipate that the adoption of AASB 16 may have an impact on the Union's financial statements, it is impractical at this stage to provide a reasonable estimate of such impact.

AASB 1058: Income for Not-for-profit entities

AASB 2016-8: Amendments to Australian Accounting Standards -- Australian Implementation Guidance for Not-For-Profit Entities

(applicable for annual reporting periods beginning on or after 1 January 2019)

AASB 1058 and AASB 2016-8 will defer income recognition in some circumstances for not-for-profit entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately.

The Standard also expands the circumstances in which not-for-profit entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services), including for example, peppercorn leases.

Consequently AASB 1004 Contributions is also amended, with its scope effectively limited to address issues specific to government entities and contributions by owners in a public sector entity context.

Although the Committee of Management anticipate that the adoption of AASB 1058 may have an impact on the Union's financial statements, it is impractical at this stage to provide a reasonable estimate of such impact.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Donation income is recognised when it is received.

Interest revenue is recognised on an accrual basis using the effective interest method.

Grant revenue is recognised in profit or loss over the periods in which the Union recognises as expenses the related costs for which the grants are intended to compensate. Grants received in advance of the expenditure for which they are intended are recognised in the statement of financial position as revenue in advance.

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

1.6 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

1.8 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of the reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the Union in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.8 Employee benefits (continued)

Provision is made for separation and redundancy benefit payments. The Union recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.10 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.11 Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.12 Provisions

Provisions are recognised when the Union has legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.13 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.14 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Union manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Union's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.14 Financial assets (Continued)

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Union's right to receive the dividends is established.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Union's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES OF THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.14 Financial assets (Continued)

Impairment of financial assets

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The Union derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.15 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Union manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Union's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Union derecognises financial liabilities when, and only when, the Union's obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.16 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.17 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation except motor vehicles which are depreciated on a diminishing value basis. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	31 March 2018	31 March 2017
Plant and equipment	10-33%	10-33%
Motor Vehicles	25%	25%

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.18 Impairment

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.19 Income Tax

The Union is exempt from income tax under section 50.1 of *the Income Tax Assessment Act 1997* however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.20 Fair value measurement

The Union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 12.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Union. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Union uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.20 Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.21 Going concern

The Union is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Union has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

1.22 Acquisition of Assets and Liabilities

The Union did not acquire any assets or liabilities during the year as a result of:

- (a) an amalgamation under Part 2 of Chapter 3 of the RO Act in with the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- (b) a restructure of the branches of the organisation; or
- (c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- (d) a revocation by the General Manager under subsection 245(1).

The Union did not acquire any assets or liabilities during the year as a part of a business combination.

1.23 Recovery of Wages

The Union has not undertaken any recovery of wages activities during the year or the comparative year.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.24 Retained Earnings – Compulsory Levy Defence Fund

The Defence Fund is being maintained to provide the additional resources needed to defend our members against continuing attacks from employers and Federal Government agencies.

Funds collected by the compulsory levy defence fund are held in cash and short term investments.

No funds have been invested in assets.

All funds required by the rules of the Union are included in the statement of changes in equity.

During the year, the Committee of Management made a resolution that \$600,000 will be contributed towards the ACTU campaign levy from the compulsory levy defence fund.

There have been no transfers or withdrawals to or from the compulsory levy defence fund during the year.

The surplus/(deficit) in Compulsory Levy Defence Fund during the year was due to the following:

	\$
Compulsory Levies – Defence Fund	971,718
Less: ACTU Campaign Levy to be paid from Defence Fund	(600,000)
Surplus/(deficit) of Compulsory Levy Defence Fund	<u>371,718</u>

1.25 Compulsory Levy Campaign

The compulsory campaign levy was established by the National Office of the Union to provide resources to fight against attacks against the Union by employers, governments and media. The levy is paid to the National Office of the Union.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 2 EVENTS AFTER REPORTING DATE

There were no events that occurred after 31 March 2018, and/ or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

NOTE 3 INCOME

31 March 2018	1 January 2017 to 31 March 2017
\$	\$

Note 3A: Levies

Compulsory levy – Defence Fund (Note 1.24)	971,718	216,990
Compulsory levy – Campaign (Note 1.25)	258,188	44,876
Voluntary levy – Tool Scheme	42,350	12,350
Total levies	<u>1,272,256</u>	<u>274,216</u>

Note 3B: Interest

Interest	120,110	38,876
Total Interest	<u>120,110</u>	<u>38,876</u>

Note 3C: Grants or donations

Grants Apprentice Scheme	4,022,648	762,589
Grants Other	525,000	131,250
Donations	-	-
Total grants or donations	<u>4,547,648</u>	<u>893,839</u>

Note 3D: Net gains from sale of assets

Gain on sale of property, plant and equipment	68,494	62,199
Total net gain from sale of assets	<u>68,494</u>	<u>62,199</u>

Note 3E: Other Revenue

Administration recoveries	548,596	58,951
Compliance recoveries	378,175	87,078
Dividend income	750,000	-
Income from financial asset	68,984	-
Promotional charges	586,679	132,160
Sponsorship income	203,755	21,000
Training income	579,014	24,149
Directors/Meeting fees	213,785	65,376
Sundry income and reimbursements	197,986	50,369
Financial support from another reporting unit	-	-
Total other revenue	<u>3,526,974</u>	<u>439,083</u>

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
 CONSTRUCTION & GENERAL DIVISION
 QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 4 EXPENSES	31 March 2018	1 January 2017 to 31 March 2017
	\$	\$
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	571,671	148,492
Superannuation	84,628	25,477
Leave and other entitlements	10,607	27,632
*Separation and redundancies	21,851	5,987
Other employee expenses	5,339	1,437
Subtotal employee expenses holders of office	<u>694,096</u>	<u>209,025</u>
Employees other than office holders:		
Wages and salaries	4,749,193	1,245,368
Superannuation	763,261	212,923
Leave and other entitlements	182,975	47,297
*Separation and redundancies	166,691	45,499
Other employee expenses	82,310	19,895
Subtotal employee expenses employees other than office holders	<u>5,944,430</u>	<u>1,570,982</u>
Total employee expenses	<u>6,638,526</u>	<u>1,780,007</u>

*Separation and redundancies include contributions to the redundancy fund.

Note 4B: Capitation fees

CFMEU C&G National Office	790,574	226,190
CFMEU FFPD National Office	-	3,841
Total Capitation fees	<u>790,574</u>	<u>230,031</u>

Note 4C: Affiliation fees

Australian Labor Party Queensland Branch	138,391	20,112
Australian Labor Party Northern Territory Branch	2,455	2,400
Building and Wood Workers' International	40,057	-
Queensland Council of Unions Brisbane Branch	30,000	29,370
Queensland Council of Unions Gold Coast Branch	-	220
Queensland Council of Unions Cairns Branch	-	110
Ipswich Trades Hall & Labour Day Committee	30	-
NT Trades & Labour Council	3,419	989
Total Affiliation fees	<u>214,352</u>	<u>53,201</u>

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
 CONSTRUCTION & GENERAL DIVISION
 QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 4 EXPENSES (CONTINUED)	31 March 2018	1 January 2017 to 31 March 2017
	\$	\$
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	585	160
Compulsory levy – Campaign (Note 1.25)	333,400	44,876
Voluntary levy – Tool Scheme	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	122,409	39,859
Total administration expenses	<u>456,394</u>	<u>84,895</u>
Note 4E: Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	4,348	1,000
Total paid that exceeded \$1,000	63,275	-
Total grants or donations	<u>67,623</u>	<u>1,000</u>
Note 4F: Depreciation and amortisation		
Depreciation:		
Property, plant and equipment	60,670	12,532
Motor vehicles	286,564	63,167
Total depreciation	<u>347,234</u>	<u>75,699</u>
Amortisation		
Intangibles	-	-
Total amortisation	<u>-</u>	<u>-</u>
Total depreciation and amortisation	<u>347,234</u>	<u>75,699</u>
Note 4G: Finance costs		
Bank fees and charges	69,197	5,395
Total finance costs	<u>69,197</u>	<u>5,395</u>
Note 4H: Legal costs		
Litigation	144,896	274,427
Other legal matters	231,302	34,967
Penalties & Settlements (Litigation costs)	2,631,472	47,260
Total legal costs	<u>3,007,670</u>	<u>356,654</u>

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 4 EXPENSES (CONTINUED)

	31 March 2018	1 January 2017 to 31 March 2017
	\$	\$
Note 4I: Audit fees		
External audit expense	36,214	5,000
Other services	-	-
Total audit fees	<u>36,214</u>	<u>5,000</u>

Note 4J: Other expenses

Penalties – via RO Act or RO Regulations	-	-
*ACTU campaign	600,000	-
Administration expenditure	162,251	30,708
Advertising & marketing	140,689	36,943
Aged auxiliary	-	-
Campaign expenses	442,288	5,000
Communications	89,085	19,395
Computer expenses	18,152	1,809
Fringe benefit tax	196,379	46,142
Impairment counselling & delivery costs	41,590	24,149
Insurance	1,366	225
Labour day expenses	91,648	5,992
Motor vehicles expenses	329,853	97,186
Organising expenses	515,451	94,349
Payroll tax	334,749	93,860
Postage	111,191	12,344
Printing and stationery	119,596	37,651
Publication expenses	76,755	5,929
Rental expenses	688,585	165,064
Sponsorship expenses	14,427	-
Subscriptions	3,812	732
Training	9,100	2,318
Workers compensation	30,912	1,206
Total other expenses	<u>4,017,879</u>	<u>681,002</u>

**ACTU Campaign cost is to be paid from the compulsory levy defence fund.*

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
 CONSTRUCTION & GENERAL DIVISION
 QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 5 ASSETS	31 March 2018	1 January 2017 to 31 March 2017
	\$	\$

Note 5A: Cash and Cash Equivalents

Cash at bank	2,555,705	1,233,674
Cash on hand	4,300	4,300
Debit card	500	486
Term deposits	4,000,000	6,704,513
Total cash and cash equivalents	<u>6,560,505</u>	<u>7,942,973</u>

Note 5B: Trade and Other Receivables

Current

Interest receivable	41,782	12,522
Membership dues receivable	1,404,787	1,545,543
Grants receivable	-	-
Other receivables	122,559	732,452

Receivables from other reporting units

CFMEUQ	-	1,147,766
CFMEU C&G National Office	181,781	620
CFMEU M&E QLD	-	45,893

Total current trade and other receivables	<u>1,750,909</u>	<u>3,484,796</u>
--	------------------	------------------

Less provision for doubtful debts	(1,352,358)	(1,471,370)
-----------------------------------	-------------	-------------

Total provision for doubtful debts	<u>(1,352,358)</u>	<u>(1,471,370)</u>
---	--------------------	--------------------

Total current trade and other receivables (net)	<u>398,551</u>	<u>2,013,426</u>
--	----------------	------------------

Non-current

Receivables from other reporting units

CFMEUQ	2,500,000	2,952,137
--------	-----------	-----------

Total non-current trade and other receivables	<u>2,500,000</u>	<u>2,952,137</u>
--	------------------	------------------

Total trade and other receivables	<u>2,898,551</u>	<u>4,965,563</u>
--	------------------	------------------

No provision for doubtful debts has been raised against the reporting units balances shown.

Note 5C: Other Current Assets

Prepayments	163,642	192,136
-------------	---------	---------

Total other current assets	<u>163,642</u>	<u>192,136</u>
-----------------------------------	----------------	----------------

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
 CONSTRUCTION & GENERAL DIVISION
 QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 5 ASSETS (CONTINUED)	31 March 2018	1 January 2017 to 31 March 2017
	\$	\$

Note 5D: Financial Assets

Financial asset at cost	5,000,000	-
Addition investment	68,089	-
Growth investment (unrealised)	36,128	-
Total financial assets	<u>5,104,217</u>	<u>-</u>

Note 5E: Property, Plant and Equipment

Property, Plant and Equipment comprises of:

Motor vehicles	1,353,848	1,411,651
Plant and equipment	151,207	164,029
Total property plant and equipment	<u>1,505,055</u>	<u>1,575,680</u>

Motor vehicles:

At cost	1,765,265	1,709,919
Less accumulated depreciation	(410,417)	(298,268)
Total motor vehicles	<u>1,354,848</u>	<u>1,411,651</u>

Plant and Equipment:

At cost	283,627	239,862
Less accumulated depreciation	(132,420)	(75,833)
Total plant and equipment	<u>151,207</u>	<u>164,029</u>

	Motor Vehicles	Plant & Equipment	Total
	\$	\$	\$
Balance at beginning of the year	1,411,651	164,029	1,575,680
Additions	604,839	47,848	652,687
Disposals	(309,294)	-	(309,294)
Depreciation expense – Note 4F	(286,564)	(60,670)	(347,234)
Depreciation allocated to Apprentice Scheme	(66,784)	-	(66,784)
Carrying amount at end of the year	<u>1,353,848</u>	<u>151,207</u>	<u>1,505,055</u>

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 6	LIABILITIES	31 March 2018	1 January 2017 to 31 March 2017
		\$	\$
Note 6A: Trade and Other Payables			
	Trade payables and accruals	717,424	629,615
	Payables to other reporting units		
	- CFMEU C&G National Office	-	89,726
	- CFMEU FFPD National Office	-	3,841
	- CFMEUQ	-	29,545
	Consideration to employers for payroll deductions	-	-
	Legal costs		
	Litigation	51,193	11,908
	Settlements (Penalties from Litigation)	622,000	1,000,000
	Other legal matters	-	-
	GST payable	280,455	221,915
	Voluntary collections - ADSS	10,770	14,400
	Wages collected on behalf of members	-	-
	Total trade and other payables	<u>1,681,842</u>	<u>2,000,950</u>

Note 6B: Employee Provisions

Employee provisions comprises of:

Current

Provision for annual leave	826,995	787,707
Provision for long service leave	790,807	824,538
	<u>1,617,802</u>	<u>1,612,245</u>

Non-current

Provision for long service leave	631,638	587,820
Total employee provisions	<u>2,249,440</u>	<u>2,200,065</u>

Non-current provisions represent long service leave entitlements owing to employees who have not completed 5 continuous years of service with the Union.

Balance at beginning of the year	2,200,065	2,197,231
Additional provisions raised during the year:		
General fund	193,582	74,929
Apprentice scheme	114,602	45,086
Amounts used	(258,809)	(117,181)
Balance at the end of the year	<u>2,249,440</u>	<u>2,200,065</u>

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
 CONSTRUCTION & GENERAL DIVISION
 QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 6	LIABILITIES (CONTINUED)	31 March 2018	1 January 2017 to 31 March 2017
		\$	\$
Note 6B: Employee Provisions (Continued)			
Office Holders:			
	Annual leave	76,442	88,342
	Long service leave	344,280	373,846
	Separations and redundancies	-	-
	Other	-	-
	Subtotal employee provisions—office holders	420,722	462,188
Employees other than office holders:			
	Annual leave	750,553	699,365
	Long service leave	1,078,165	1,038,512
	Separations and redundancies	-	-
	Other	-	-
	Subtotal employee provisions—employees other than office holders	1,828,718	1,737,877
	Total current employee provisions	2,249,440	2,000,065

Note 6C: Other Provisions

Impairment Rehabilitation:

Balance at beginning of the year	71,087	49,282
Additional provisions raised during the year	-	21,805
Provision utilised during the year	(71,087)	-
Balance at the end of the year	-	71,087

Note 6D: Revenue in Advance

Revenue in advance comprises of:

Current

Apprentice scheme funding	1,078,336	1,121,977
Membership dues in advance	3,586,645	3,532,738
Other revenue in advance	506,750	114,650
	5,171,731	4,769,365

Non-current

Apprentice scheme funding	-	239,757
Total revenue in advance	5,171,731	5,009,122

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
 CONSTRUCTION & GENERAL DIVISION
 QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 7 CASH FLOW	31 March 2018	1 January 2017 to 31 March 2017
	\$	\$

Note 7A: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Statement of financial position to Statement of cash flows:

Cash and cash equivalents as per:

Statement of cash flows	6,560,505	7,942,973
Statement of financial position	6,560,505	7,942,973
Difference	<u>-</u>	<u>-</u>

Reconciliation of surplus/(deficit) to net cash from operating activities:

Surplus/(deficit) for the year	1,697,701	380,803
--------------------------------	-----------	---------

Adjustments for non-cash items

Depreciation expense – Note 4F	347,234	75,699
Depreciation – Apprentice scheme	66,784	10,092
(Gain)/Loss on disposal of assets	(68,494)	(62,199)

Changes in assets/liabilities

(Increase)/decrease in net receivables	1,614,875	887,973
(Increase)/decrease in prepayments	28,494	(114,701)
Increase/(decrease) in trade and other payables	(319,108)	159,337
Increase/(decrease) in revenue in advance	162,609	(1,024,435)
Increase/(decrease) in employee provisions	49,375	2,834
Increase/(decrease) in other provisions	(71,087)	21,805
Net cash from (used by) operating activities	<u>3,508,383</u>	<u>337,208</u>

Note 7B: Cash flow information

Cash inflows

CFMEUQ	1,570,358	-
CFMEU C&G National Office	60,660	1,000
CFMEU C&G NSW	-	1,000
CFMEU C&G WA	-	1,000
CFMEU C&G ACT	1,000	3,219
CFMEU VIC	300	-
CFMEU M&E QLD	40,013	-
Total cash inflows	<u>1,672,331</u>	<u>6,219</u>

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
 CONSTRUCTION & GENERAL DIVISION
 QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 7 CASH FLOW (CONTINUED)	31 March 2018	1 January 2017 to 31 March 2017
	\$	\$

Note 7B: Cash flow information (Continued)

Cash outflows

CFMEUQ	702,292	170,459
CFMEU National Office	-	180
CFMEU C&G National Office	1,999,447	411,677
CFMEU C&G ACT	432	-
CFMEU C&G WA	800	-
CFMEU FFPD National Office	-	11,367
Total cash outflows	<u>2,702,971</u>	<u>593,683</u>

Note 7C: Credit standby arrangements and loan facilities

CBA Mastercard Facility		
Used facility	2,950	18,252
Unused facility	57,050	41,748
Total facility	<u>60,000</u>	<u>60,000</u>

Note 7D: Non-cash transactions

There have been no non-cash financing or investing activities during the year ended 31 March 2018 (31 March 2017: Nil).

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 8 RELATED PARTY DISCLOSURES

Note 8A: Related Party Transactions for the Reporting Period

Holders of office and related reporting units

The names of those persons who held office for all or part of the year are deemed to be a related party for financial reporting purposes as set out in the accompanying Committee of Management Operating Report. The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	31 March 2018	1 January 2017 to 31 March 2017
	\$	\$
Income received includes the following:		
CFMEUQ	-	-
Sale of vehicle to CFMEU C&G National office	40,000	-
Airfares reimbursement from CFMEU C&G National office	14,552	620
Expense reimbursement from CFMEU M&E QLD	1,626	-
Affiliation fees reimbursement from CFMEU M&E QLD	34,386	35,030
Merchandise sales to CFMEU M&E QLD	364	-
Merchandise sales to CFMEU C&G ACT	909	-
Expenses paid includes the following:		
Rent paid to CFMEUQ	638,447	154,963
Capitation fees to CFMEU C&G National Office	790,574	226,190
Capitation fees to CFMEU FFPD National Office	-	3,841
Campaign levy to CFMEU C&G National Office	333,400	44,876
Wages reimbursement to CFMEU C&G National Office	32,807	-
Legal cost contribution to CFMEU C&G National Office	95,438	-
Legal penalties contribution to CFMEU C&G National Office	67,557	-
ABCC campaign contribution to CFMEU C&G National Office	121,257	-
Merchandise purchase from CFMEU C&G WA	727	-
Donation – contribution to CFMEU M&E QLD for Oaky North Miners	20,000	-
Amounts owed by includes the following:		
CFMEUQ	-	1,147,766
CFMEU C&G National Office	181,781	620
CFMEU M&E QLD	-	45,893
Amounts owed to includes the following:		
CFMEUQ	-	29,545
CFMEU C&G National Office	-	89,726
CFMEU FFPD National Office	-	3,841
Loans to CFMEUQ:	2,500,000	2,952,137

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

Note 8A: Related Party Transactions for the Reporting Period (Continued)

Holders of office and related reporting units (continued)

Terms and conditions of transactions with related parties (continued)

Related party transactions occur between the Union and its state registered equivalent the Construction, Forestry, Mining & Energy, Industrial Union of Employees, Queensland State Construction & General Division (CFMEUQ).

The sales to and purchases from related parties are made on terms equivalent to those that prevails in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the union has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2017: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The loan provided to CFMEUQ does not incur interest and is expected to be repaid within 5 years.

Related party transactions also occur between the Union and other reporting units including the National Office of the Construction & General Division (CFMEU C&G National Office).

Related Party disclosures in the financial report are presented on an accrual basis. Whilst the financial records of the Union have been kept, as far as practicable, in a manner consistent with each other reporting units of the organisation, the balances and transactions reported in this financial report may differ to those recorded in the financial report of the counterparty reporting unit. This may arise due to timing difference in the respective recordkeeping of the related reporting units, for example, in the receipt of payments, correspondence in transit or the alternative categorisation of balances/transactions.

From time-to-time, the National Office of the Construction & General Division of the CFMEU (CFMEU C&G National Office) coordinates various administrative activities on behalf of the Union. This includes the collation of certain costs, which are apportioned to the appropriate branches and invoiced in full. Accordingly, with the National Office merely being the facilitator of such transactions between the Union and independent third parties (and there is no profit component in recharging these costs), these are not considered to be related party expenditures of the Union and hence are not required to be disclosed.

Notwithstanding this, the transfer of funds to meet these obligations remain related party transactions, and accordingly have been disclosed in the related party cash flows reported at Note 7B. Additionally, any amounts outstanding as at balance date between related parties have been disclosed at Note 8A.

There have been no payments made during the financial year to a former related party of the Union.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

Note 8B: Key Management Personnel Remuneration for the Reporting Period

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Union. The Union has determined that key management personnel comprises of:

- Michael Ravbar (State Secretary)
- Royce Kupsch (State President)
- Jade Ingham (Assistant State Secretary)
- Andrew Sutherland (Assistant State Secretary)

During the year, the key management personnel of the Union were remunerated as follows:

	31 March 2018	1 January 2017 to 31 March 2017
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	571,671	148,492
Annual leave accrued	11,754	4,714
Performance bonus	-	-
Other employee benefits	5,339	1,437
Total short-term employee benefits	<u>588,764</u>	<u>154,643</u>
Post-employment benefits:		
Superannuation	84,628	25,477
Redundancy fund	21,851	5,987
Total post-employment benefits	<u>106,479</u>	<u>31,464</u>
Other long-term benefits:		
Long-service leave	(1,147)	22,918
Total other long-term benefits	<u>(1,147)</u>	<u>22,918</u>
Termination benefits	-	-
Total	<u>694,096</u>	<u>209,025</u>

No other transactions occurred during the year with elected officers, close family members or other related parties than those related to their membership or employment and on terms no more favourable than those applicable to any other member of employee.

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 9 CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

(a) Operating lease commitments

Leases as lessee

The leases relates to rent of regional office located at Townsville and rent for printing equipment in Brisbane office. The leases run for a period ranging between 3 to 5 years. The future minimum lease payments under non-cancellable operating leases are as follows:

	31 March 2018 \$	31 March 2017 \$
Payable – minimum lease commitments		
- not later than 12 months	123,855	31,233
- between 12 months and 5 years	174,286	96,300
- greater than 5 years	-	-
Minimum lease payments	<u>298,141</u>	<u>127,533</u>

(b) Contingent liabilities and commitments

There are continually numerous ongoing unsettled legal actions against the Union regarding industrial relations matters.

If at year end, a judgement has been awarded against the Union or a matter has been settled and the amount is unpaid, the Union accrues an expense for estimated costs and penalties in relation to the matter.

No provision is made for any settlement costs or penalties for ongoing unresolved matters where the outcome cannot be reliably determined as the Union intends to defend the claims.

(c) Finance lease commitments

The Union does not have any finance lease commitments at 31 March 2018 (2017: Nil).

(d) Capital expenditure commitments

There are no capital expenditure commitments at 31 March 2018 (2017: Nil).

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

	31 March 2018	1 January 2017 to 31 March 2017
	\$	\$
NOTE 10 REMUNERATION OF AUDITORS		
Value of the services provided		
Financial statement audit services	36,214	5,000
Other services – included in apprentice scheme expense	5,000	-
Total remuneration of auditors	<u>41,214</u>	<u>5,000</u>

Other services include the audit of the political membership return and apprentice scheme acquittals.

NOTE 11 FINANCIAL INSTRUMENTS

Financial Risk Management Policy

The Committee of Management monitors the Union's financial risk management policies and exposure and approves financial transactions within the scope of these policies.

The Committee of Management's overall risk management strategy seeks to assist the Union in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Union is exposed to through its financial instruments are credit risk, liquidity risk, and market risk consisting predominantly of interest rate risk. There have been no substantive changes in the types of risks the Union is exposed to, how these risks arise, or the Committee of Management's objectives, policies and processes for managing or measuring the risks from the previous period.

The Union's financial instruments are listed below:

Financial Assets

Cash and cash equivalents	6,560,505	7,942,973
Trade and other receivables	2,898,551	4,965,563
Financial assets	5,104,217	-
	<u>14,563,273</u>	<u>12,908,536</u>

Financial Liabilities

Trade and other payables	1,681,842	2,000,950
	<u>1,681,842</u>	<u>2,000,950</u>

Note 11A: Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Union.

Credit risk arises from cash and cash equivalent and deposits with banks and financial institutions, as well as exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 11 FINANCIAL INSTRUMENTS (CONTINUED)

Note 11A: Credit Risk (Continued)

The Union has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good quality, including those that are past due.

The credit risk of liquid funds, and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Union. On a geographical basis, the Union's trade and other receivables are all based in Australia.

The following table details the Union's trade and other receivables exposed to credit risk. Amounts are considered 'past due' when the debt has not been settled, within the terms and conditions agreed between the Union and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Union.

2018	Gross Amount	Past Due and Impaired	Past due but not impaired (days overdue)				Total
			< 30	31-60	60-90	> 90	
	\$	\$	\$	\$	\$	\$	\$
Membership dues	1,404,787	1,352,358	52,429	-	-	-	52,429
CFMEUQ	2,500,000	-	-	-	-	2,500,000	2,500,000
Other receivables	346,123	-	346,123	-	-	-	346,122
Total	4,250,910	1,352,359	398,552	-	-	2,500,000	2,898,551

2017	Gross Amount	Past Due and Impaired	Past due but not impaired (days overdue)				Total
			< 30	31-60	60-90	> 90	
	\$	\$	\$	\$	\$	\$	\$
Membership dues	1,545,543	1,471,370	74,173	-	-	-	74,173
CFMEUQ	4,099,903	-	-	-	-	4,099,903	4,099,903
Other receivables	791,487	-	791,487	-	-	-	791,487
Total	6,436,933	1,471,370	865,660	-	-	4,099,903	4,965,563

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

The Union does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

Collateral held as security

The Union does not hold collateral with respect to its receivables at 31 March 2018 (31 March 2017: Nil).

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 11 FINANCIAL INSTRUMENTS (CONTINUED)

Note 11B: Liquidity Risk

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

- preparing forward looking cash flow estimates;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Union does not hold directly any derivative financial liabilities.

Contractual maturities for financial liabilities

	On Demand	< 1 year	1 – 2 years	2 – 5 years	> 5 years	Total
2018		\$	\$	\$	\$	\$
Trade and other payables	1,681,842	-	-	-	-	1,681,842
	1,681,842	-	-	-	-	1,681,842
2017						
Trade and other payables	2,000,950	-	-	-	-	2,000,950
	2,000,950	-	-	-	-	2,000,950

Note 11C: Market Risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Union's exposure to interest rate risk arises from its cash at bank, term deposits and floating rate instruments.

The financial instruments which expose the Union to interest rate risk are limited to its cash reserves.

ii. Foreign exchange risk

The Union is not exposed to fluctuations in foreign currencies.

iii. Price risk

The Union is exposed to equity securities price risk.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 11 FINANCIAL INSTRUMENTS (CONTINUED)

Note 11C: Market Risk (Continued)

Sensitivity Analysis

While the Union is exposed to changes in interest rates, due to the fact that any expected change in interest rates would have no significant impact on profit and loss or equity, no sensitivity analysis has been considered necessary.

No sensitivity analysis has been performed on foreign exchange risk, as the Union is not exposed to foreign currency fluctuations.

NOTE 12 FAIR VALUE MEASUREMENT

Fair Values

Fair value estimation

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded.

In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Union. Most of these instruments, which are carried at amortised cost (i.e. accounts receivable), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Union.

The following table contains the carrying amounts and related fair values for the Union's financial assets and liabilities:

	Footnote	31 March 2018		31 March 2017	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	6,560,505	6,560,505	7,942,973	7,942,973
Trade and other receivables	(i)	2,898,551	2,898,551	4,965,563	4,965,563
Financial assets	(i)	5,104,217	5,104,217	-	-
Total financial assets		14,563,273	14,563,273	12,908,536	12,908,536

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

NOTE 12 FAIR VALUE MEASUREMENT (CONTINUED)

	Footnote	31 March 2018		31 March 2017	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial liabilities					
Trade and other payables	(i)	1,681,842	1,681,842	2,000,950	2,000,950
Total financial liabilities		1,681,842	1,681,842	2,000,950	2,000,950

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

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

NOTE 13 DISCLOSURE OF OFFICERS' REMUNERATION AND NON-CASH BENEFITS

Pursuant to Rule 24B of the Union's Rules and s. 293B of the *Fair Work (Registered Organisation) Amendment Act 2016*, the Divisional Executive make the following disclosures of Officer remuneration and non-cash benefits received for the 2018 financial year.

- (a) the five highest paid officers of the Union for the financial year, and their remuneration, were as follows:

	Michael Ravbar	Royce Kupsch	Jade Ingham	Andrew Sutherland	Total
	Divisional Branch Secretary	Divisional Branch President	Assistant Divisional Branch Secretary	Assistant Divisional Branch Secretary	
	\$	\$	\$	\$	\$
Salary and allowance	170,918	166,546	153,988	80,219	571,671
Movement in annual and long service leave provisions	8,185	9,329	2,173	(9,080)	(10,607)
Superannuation	22,609	24,305	23,148	14,566	84,628
Redundancy	5,525	5,525	5,525	5,276	21,851
Other employee benefits	1,648	1,648	1,648	395	5,339
	208,885	207,353	186,482	91,376	694,096

The non-cash benefit provided to the officers of the Union are motor vehicles which are owned by the Union. The motor vehicles are primarily used for work related purposes but maybe used for personal use during non-working hours.

There were only four paid officers during the financial year.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

**NOTE 13 DISCLOSURE OF OFFICERS' REMUNERATION AND NON-CASH BENEFITS
(CONTINUED)**

(b) Superannuation has been received by the following officers of the Union from a board position attained because of their position with the Union:

Michael Ravbar	Divisional Branch Secretary	\$8,880
Jade Ingham	Assistant Branch Secretary	\$7,188

No other remuneration or non-cash benefits had been received by Officers of the Union from a board position attained because of their position with the Union.

In accordance with Rule 24D and s. 293G of the *Fair Work (Registered Organisation) Amendment Act 2016*, refer to Note 8 for payments made by the Union to related parties.

The Union has made no reportable payments to any related party or declared person or body of the Union in the year ended 31 March 2018.

NOTE 14 ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY

There has been no administration of financial affairs by a third party.

NOTE 15 SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

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

Information to be provided to members or Commissioner:

- (1) A member of a reporting unit, or the Commissioner, 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 within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

NOTE 16 UNION DETAILS

The registered office of the Union is:

16 Campbell Street
Bowen Hills QLD 4006

NOTE 17 SEGMENT INFORMATION

The Union operates solely in one reporting segment, being the provision of industrial services in Queensland.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH

Opinion

We have audited the accompanying financial report of Construction, Forestry, Maritime, Mining and Energy Union, Construction and General Division, Queensland Northern Territory Divisional Branch which comprises the Statement of Financial Position as at 31 March 2018, Statement of Comprehensive Income, Statement of Changes in Equity, and the Statement of Cash Flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Committee of Management Statement.

The audit report has been prepared based on the requirements of section 257(1) of the *Fair Work (Registered Organisations) Act 2009*.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Construction, Forestry, Maritime, Mining and Energy Union, Construction and General Division, Queensland Northern Territory Divisional 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) 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*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The Committee of Management are responsible for the other information. The other information obtained at the date of this auditor's report is in the Committee of Management Operating Report accompanying the financial report.

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

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

Committee of Management's Responsibility for the Financial Report

The Committee of Management and Secretary of the Union are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009* and for such internal control as the Committee of Management and Secretary of the Union determine is necessary to enable the preparation and fair presentation of the financial report that 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 Union's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee of Management either intends to liquidate the Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Union's financial reporting process.

Auditor's Responsibility

Our objectives are 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

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/Home.aspx>. This description forms part of our auditor's report.

Report on Other Regulatory Requirements

- a) We have nothing to report with regards to reporting requirements under section 257(7) of the *Fair Work (Registered Organisations) Act 2009*.
- b) The scope of our audit did extend to recovery of wages activity, however as noted in the Committee of Management Statement, no such activity was undertaken during the reporting period.
- c) In our opinion, the Committee of Management's use of the going concern basis of accounting in the preparation of the financial report is appropriate.
- d) I am an approved auditor as defined by Regulation 4 of the *Fair Work (Registered Organisations) Regulations 2009* being a member of the Institute of Chartered Accountants in Australia & New Zealand who holds a current Public Practice Certificate.

PKF Hacketts

PKF HACKETTS AUDIT



SHAUN LINDEMANN
PARTNER

BRISBANE, 30 MAY 2018

REGISTRATION NUMBER: AA2017/161

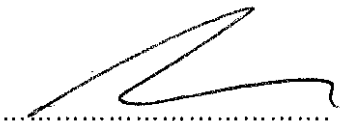
**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

DESIGNATED OFFICERS CERTIFICATE

FOR THE YEAR ENDED 31 MARCH 2018

I, Michael John Ravbar, being the Divisional Branch Secretary of the Construction, Forestry, Maritime, Mining & Energy Union Construction & General Division Queensland Northern Territory Divisional Branch certify:

- that the documents lodged herewith are copies of the full report for the Construction, Forestry, Maritime, Mining & Energy Union Construction & General Division Queensland Northern Territory Divisional 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 1 June 2018; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 25 June 2018 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Michael John Ravbar

Divisional Branch Secretary

25 June 2018

Brisbane



Australian Government
Registered Organisations Commission

24 April 2018

Mr Michael Ravbar
Branch Secretary
Construction, Forestry, Maritime, Mining and Energy Union-Construction and General Division,
Queensland Northern Territory Divisional Branch
By Email: queries@qld.cfmeu.asn.au

Dear Mr Ravbar,

**Re: Lodgement of Financial Report - [FR2018/4]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Construction, Forestry, Maritime, Mining and Energy Union-Construction and General Division, Queensland Northern Territory Divisional Branch (the reporting unit) ended on 31 March 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 Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 29 June 2018.

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 (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being 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 your rules) no later than 30 September 2018 (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. 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 (see attached *Loans Grants and Donations* fact sheet FS 009).

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 (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

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,

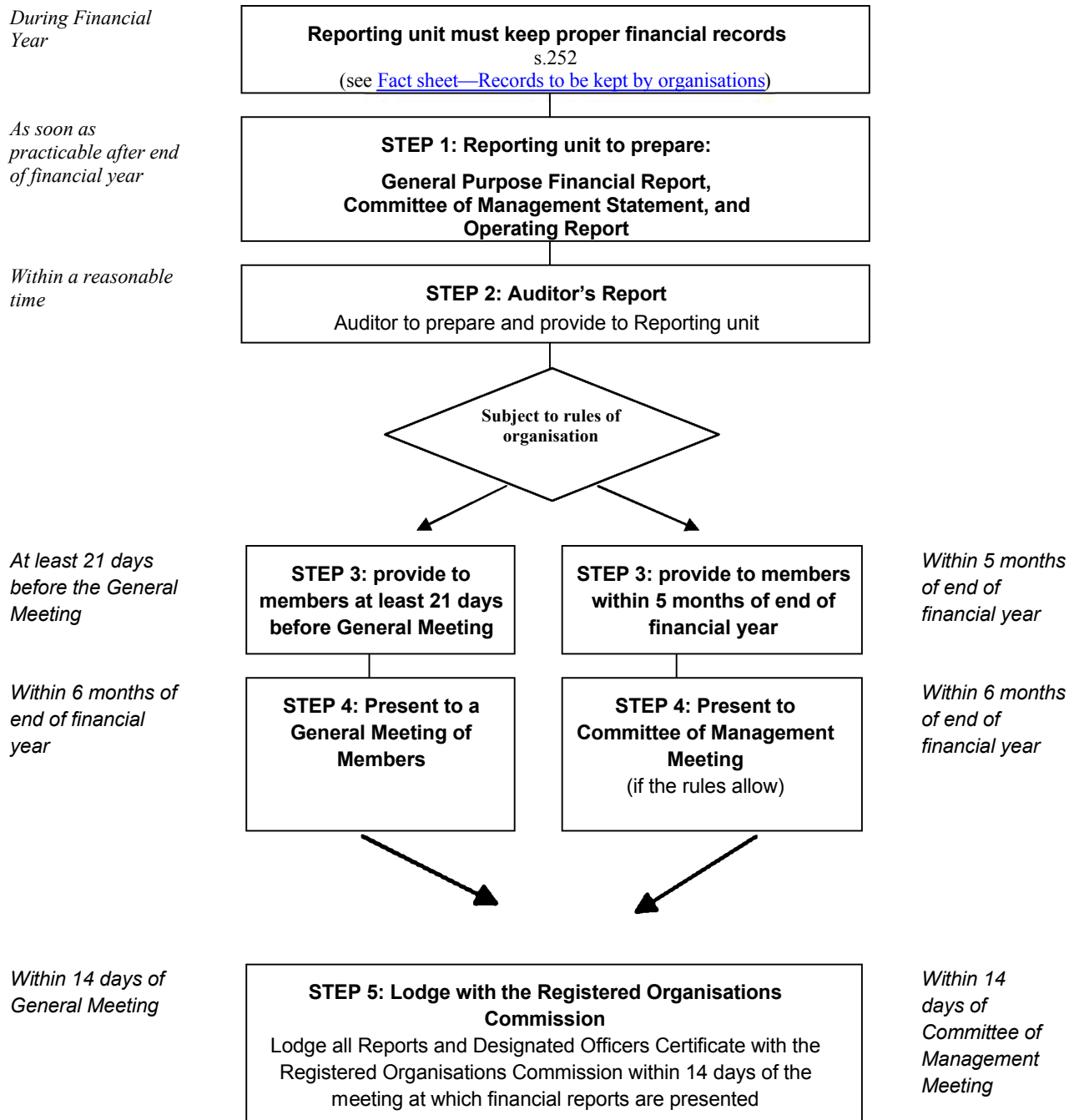


Sam Gallichio
Registered Organisations Commission

Fact sheet

Summary of financial reporting timelines – s.253 financial reports

See Fact sheet—Financial reporting for an explanation of each of these steps.





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
 Only reporting units must lodge the Statement.	 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.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.

	Statements can be lodged with the financial report.		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.
---	---	--	---

Grants & Donations within the Financial Report

Item 16(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:	[Current year]	[Previous year]
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial report 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

© Commonwealth of Australia 2017

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