



23 August 2018

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

Dear Mr Busson,

**Construction, Forestry, Maritime, Mining and Energy Union-Mining and Energy Division
Western Australia District Branch
Financial Report for the year ended 31 December 2017 - [FR2017/293]**

I acknowledge receipt of the financial report of the Construction, Forestry, Maritime, Mining and Energy Union-Mining and Energy Division Western Australia District Branch (CFMMEU-WADB). The documents were lodged with the Registered Organisations Commission (the ROC) on 29 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 December 2018 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 & Notes to the financial report

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-WADB Committee of Management statement at reference (e)(vi) refers to the 'Commission'. In future, please ensure this reference is to the 'Fair Work Commission'. In addition, Note 17 of the Notes to the Financial Statements refers to the 'General Manager of the Fair Work Commission'. In future, please ensure this reference is to the 'Commissioner'.

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 above the name.

David Vale
Registered Organisations Commission

CFMEU Mining & Energy Division of WA

ABN 26 591 880 340

Financial Statements
For the year ended 31 December 2017

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

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

On 1st May 2018 the Committee of Management of CFMEU - Mining and Energy Division of WA passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2017.

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

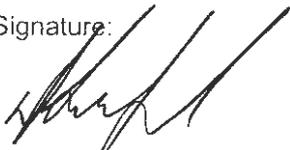
- a) the financial statements and notes comply with the Australian Accounting Standards.
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate.
- d) There are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable.
- e) During the financial year to which GPFR relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - v. where information has been sought in any request by a member of the reporting unit or a Commissioner duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009* has been furnished to the member or Commissioner; and
 - vi. there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009*.
- f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

For Committee of Management: Robert Sanford

Title of Office held: President

Signature:



Date: 1st May 2018

**CFMEU - MINING AND ENERGY DIVISION OF WA
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2017
OPERATING REPORT**

The Committee of Management present their report, together with the financial statement of the reporting entity for the financial year ended 31 December 2017

1. General Information

Information on Committee of Management

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

Name	Position	Period of Appointment
Gary Wood	District Secretary	1 January 2017 to 31 December 2017
Greg Busson	District President	1 January 2017 to 31 December 2017
Vic Arriagada	District Vice President	1 January 2017 to 31 December 2017
Paul Steele	District Vice President	1 January 2017 to 31 December 2017
Robert Sanford	Board of Management	1 January 2017 to 31 December 2017
Chris Davidson	Board of Management	1 January 2017 to 24 October 2017
Brenton Wood	Board of Management	24 October 2017 to 31 December 2017
Paul Bloxsom	Board of Management	1 January 2017 to 31 December 2017
Dennis Jones	Board of Management	1 January 2017 to 24 October 2017
Danielle Hage	Board of Management	24 October 2017 to 31 December 2017

Principal Activities

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

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

No significant change occurred in these activities during the year.

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

Operating Results

The entity made a profit of \$19,129 (2016 \$83,459) for the financial year.

**CFMEU - MINING AND ENERGY DIVISION OF WA
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2017
OPERATING REPORT**

2. Other Items

Significant Changes In Financial Affairs

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

Events after the Reporting Date

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

Right of Members to Resign

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

Superannuation Trustees

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

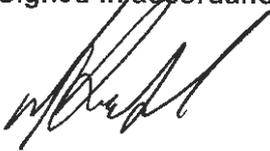
Number of Members

There were 1,210 members of the Union as at 31 December 2017 (2016: 1,386)

Number of Employees

As at 31 December 2017 the Union had 2 employees (2016: 2)

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



Robert Sanford
District President
Date: 1st May 2018
Collie, WA

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash assets	4	512,080	564,467
Receivables	5	154,888	247,679
Other	6	-	1,203
Total Current Assets		666,968	813,349
Non-Current Assets			
Property, plant and equipment	7	39,329	14,904
Total Non-Current Assets		39,329	14,904
TOTAL ASSETS		706,297	828,253
LIABILITIES			
Current Liabilities			
Payables	8	48,552	92,123
Current tax liabilities	9	13,430	10,672
Provisions	10	12,862	113,134
Total Current Liabilities		74,844	215,929
TOTAL LIABILITIES		74,844	215,929
NET ASSETS		631,453	612,324
Equity			
Balance at 1 January		612,324	528,865
Surplus for the year		19,129	83,459
Total Members' Funds		631,453	612,324

The accompanying notes form part of these financial statements

CFMEU - MINING AND ENERGY DIVISION OF WA
 ABN 26 591 880 340
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
Revenue	2	895,136	861,765
Gross profit		895,136	861,765
Administration expenditure		(876,007)	(778,306)
Net surplus for the year		19,129	83,459
Other comprehensive income		-	-
Total comprehensive income for the year		19,129	83,459

The accompanying notes form part of these financial statements

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

	2017	2016
	\$	\$
Balance at 1 January	612,324	528,865
Surplus for the year	19,129	83,459
Balance at 31 December	631,453	612,324

The accompanying notes form part of these financial statements

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
Income			
Members subscriptions		876,026	831,585
Reimbursements		20,320	30,235
Interest received		125	237
Profit/(loss) sales merchandise		188	(292)
Profit/(loss) on sale of PP&E		(1,523)	-
Total income		895,136	861,765
Expenses			
Accountancy		3,520	3,610
Audit fees		5,000	2,780
Capitation fees - CFMEU National	13	352,161	357,449
Affiliation fees – Other	13	9,956	14,440
Advertising and promotion		1,598	1,470
Bad debt write off		92,790	-
Bank fees and charges		5,696	5,568
Computer costs		1,323	2,528
Depreciation		3,226	3,789
Donations		20,632	10,706
Expenses executive		1,182	5,130
Expenses delegates		5,848	12,075
Fringe benefits tax		3,108	-
General expenses		10,627	914
Hire/rent of Plant & Equipment		8,483	7,733
Holiday pay provision		(97,153)	15,035
Insurance		12,537	12,505
Legal fees		36,248	59,233
Long service leave provision		(3,119)	1,192
Meeting costs		1,551	348
Motor vehicle expenses		11,151	6,874
Postage, printing, & stationery		6,845	5,941
Rent on land & buildings		16,120	15,600
Repairs & maintenance		-	229
Salaries & wages - office holders		230,634	131,124
Salaries & wages - non- office holders		81,421	54,766
Superannuation - office holders		12,449	12,457
Subscriptions		2,329	1,658
Superannuation - non- office holders		7,051	5,751
Telephone		4,875	4,610
Travel and Accommodation		27,918	22,791
Total expenses		876,007	778,306
Surplus for the year		19,129	83,459

The accompanying notes form part of these financial statements

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
Cash Flow from Operating Activities		
Receipts from customers	897,737	887,095
Payments to Suppliers and employees	(921,075)	(752,661)
Interest received	125	237
Net cash provided by (used in) operating activities (note ii)	<u>(23,213)</u>	<u>134,671</u>
Cash Flow from Investing Activities		
Proceeds from sale of property, plant and equipment	4,000	-
Purchase of property, plant & equipment	(33,174)	-
Net cash provided by (used in) operating activities (note ii)	<u>(29,174)</u>	<u>-</u>
Net Increase/(decrease) in cash held	(52,387)	134,671
Cash at the beginning of the year	564,467	429,796
Cash at the end of the year (note i)	<u>512,080</u>	<u>564,467</u>

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
Note i. Reconciliation Of Cash		
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.		
Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash at bank	413,472	408,890
Leave account	98,608	151,298
Cash on hand	-	279
Commonwealth Bank Mastercard	-	4,000
	512,080	564,467

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

Operating profit (loss) after tax	19,129	83,459
Non-Cash Flows in Profit from Ordinary Activities:		
Depreciation	3,226	3,789
Net loss on disposal of property, plant and equipment	1,523	-
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	93,993	25,567
Increase (decrease) in trade creditors and accruals	(40,811)	37,270
Increase (decrease) in employee entitlements	(100,273)	(15,414)
Net cash provided by operating activities	(23,213)	134,671

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

Cash Inflows:		
CFMEU Mining & Energy National Office	19,491	41,869
Cash Outflows:		
CFMEU Mining & Energy National Office	578,182	479,091

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 1: Summary of Significant Accounting Policies

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

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

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

(a) Property, Plant and Equipment (PPE)

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

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

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

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

(b) Impairment of Assets

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

(c) Employee Benefits

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

(d) Cash and Cash Equivalents

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

(e) Revenue and Other Income

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

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

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

(f) Goods and Services Tax (GST)

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

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 1: Summary of Significant Accounting Policies (continued)

(g) Trade and Other Payables

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

(h) Income Tax

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

(i) Adoption of new and revised accounting standards

During the current year, there have been no new or revised accounting standards that have become mandatory, which have had a material impact (in the current year or retrospectively) upon the measurement of assets, liabilities, equity, income or expenses, nor upon the disclosures required in this financial report.

(j) New Accounting Standards and Interpretations

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

AASB 9 Financial Instruments

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting and a new impairment model. The standard is not applicable until 1 January 2018 but is available for early adoption.

Following the changes approved by the AASB in December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instrument standard.

While the Union has yet to undertake a detailed assessment, it is expected that there will be no impact on the Union's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Union does not have any such liabilities.

AASB 15 Revenue from contract with customers

The AASB has issued a new standard for recognition of revenue. This will replace AASB 118, which covers contracts for goods and services and AASB 111, which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.

The standard is mandatory for annual reporting periods beginning on or after 1 January 2018. At this stage, the Union does not intend to adopt the standard before its effective date and does not expect it to significantly impact the Union's accounting for revenue.

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 1: Summary of Significant Accounting Policies

(j) New Accounting Standards and Interpretations (continued)

AASB 16 Leases

The standard will affect primarily the accounting for the Union's operating lease. However, the Union has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Union's profit and classification of cash flows

Some of the commitments may be covered by the exception for short term and low value leases and some commitments may relate to arrangements that will not qualify as lease under AASB 16.

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

(k) Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that Union becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measure at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- Loans and receivables;
- Financial assets at fair value through profit or loss;
- Available for sale financial assets; and
- Held to maturity investments

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the consolidated statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are no derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

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

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

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 1: Summary of Significant Accounting Policies

(k) Financial Instruments (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future or
- designated by the entity to be carried at fair value through profit or loss upon initial recognition.

Assets included within this category are carried in the consolidated balance sheet at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held to maturity if it is the intention of the Union's management to hold them until maturity.

Held to maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Union does not hold any available for sale financial assets.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Union's financial liabilities include trade and other payable, which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Union assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the 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 financial asset's original effective interest rate.

Impairment on loans and receivables is reduced through the use of allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available for sale financial assets

A significant or prolonged decline in value of an available for sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
Note 2: Income		
Revenue:		
Membership Subscriptions	876,026	831,585
Reimbursements	20,320	30,235
Interest revenue	125	237
Profit/loss on sale of Merchandise and Property, Plant and Equipment	(1,335)	(292)
Levies - There were no compulsory or voluntary levies during the period	-	-
Capitation fees received	-	-
Grants or Donation - There were no grants or donations received during the period	-	-
	895,136	861,765

Note 3: Expenses

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

Fees incurred as consideration for employers making payroll deductions of membership subscriptions	-	-
Compulsory Levies Imposed	-	-
Fees or allowances paid to person to attend conferences or meetings as a representative of the reporting unit	-	-
Expenses incurred with holding meeting of members or any conferences or meetings of Councils, committees, panels or other bodies.	27,918	22,791
Penalties imposed under the RO Act	-	-

Grants or Donations

(No Grants were made during the period)

Grants less than \$1,000	-	-
Grants exceeding \$1,000	-	-
Donations less than \$1,000	1,632	1,706
Donations exceeding \$1,000	19,000	9,000

Legal Costs

Other legal matters	36,248	59,233
Litigation	-	-

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

CFMEU - MINING AND ENERGY DIVISION OF WA
 ABN 26 591 880 340
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
Note 4: Cash assets		
Bank accounts:		
Cash at bank	413,472	408,890
Leave account	98,608	151,298
Other cash items:		
Cash on hand	-	279
Commonwealth Bank Mastercard	-	4,000
	512,080	564,467

Note 5: Receivables

Current

Trade debtors	154,888	247,679
Other Debtors	-	-
	154,888	247,679

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

Note 6: Other Assets

Current

Stock on hand - at cost	-	1,203
	-	1,203

Note 7: Property, Plant and Equipment

Plant and equipment:

- At cost	48,885	48,885
- Less: Accumulated depreciation	(42,501)	(41,277)
Motor vehicles:		
- At cost	33,172	35,488
- Less: Accumulated depreciation	(227)	(28,192)
	39,329	14,904

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 7: Property, Plant and Equipment (continued)

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

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

	Plant & Equipment \$	Motor Vehicles \$	Total \$
Year ended 31 December 2017			
Balance at the beginning of year	7,608	7,296	14,904
Additions	-	33,174	33,174
Disposals - written down value	-	(5,523)	(5,523)
Depreciation expense	(1,225)	(2,001)	(3,226)
Balance at the end of the year	6,383	32,946	39,329
Year ended 31 December 2016			
Balance at the beginning of year	8,965	9,728	18,693
Additions	-	-	-
Disposals - written down value	-	-	-
Depreciation expense	(1,357)	(2,432)	(3,789)
Balance at the end of the year	7,608	7,296	14,904

Note 8: Payables

	2017 \$	2016 \$
Unsecured:		
- Trade creditors	45,648	62,562
- Superannuation payable	1,758	3,798
- Other Creditors	1,146	25,763
- Payable for employers making payroll deductions of membership subscriptions	-	-
Legal fees Payable - Litigation	-	-
Legal Fees Payable - Other legal matters	-	-
	48,552	92,123
Amounts owing to other reporting unit		
CMEU Mining & Energy National Office	32,468	59,150

CFMEU - MINING AND ENERGY DIVISION OF WA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
Note 9: Tax Liabilities		
Current		
GST payable control account	(23,498)	43,522
GST payable adjustment control account	-	(8,648)
Input tax credit control account	30,265	(27,486)
ATO Integrated Account Balance	-	(323)
FBT Instalments	761	(3,172)
Amounts withheld from salary and wages	5,902	6,779
	13,430	10,672

Note 10: Employee Benefits

Current

Total employee benefits attributable to;

Office Holder:

- Annual Leave	12,172	105,243
- Long Service Leave	-	-
- Separation and Redundancies	-	-
- Other employee provisions	-	-

Employees other than Office Holders:

- Annual Leave	690	4,772
- Long Service Leave	-	3,119
- Separation and Redundancies	-	-
- Other employee provisions	-	-

Employee entitlements*	12,862	113,134
	12,862	113,134

* Aggregate employee entitlements liability

	12,862	113,134
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Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value and future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
Note 11: Remuneration of Auditor		
Total amounts received and receivable by the auditors of the union for:		
Audit of the Union' s financial report	5,000	3,610
Other Accounting Services	3,520	2,780

Note 12: Key Management Personnel Disclosures

Key management personnel remuneration included within employee expenses for the year is shown below:

Office Holder:		
Short term employee benefits		
Salary (including annual leave paid and accrued)	230,634	131,124
Long-term benefits		
Long Service Leave	-	-
Post-employment benefits		
Superannuation	12,449	12,457
Termination benefits	-	-
	243,083	143,581
Employees other than Office Holders:		
Other Employees		
Salaries (including annual leave paid and accrued)	81,421	54,766
Superannuation	7,051	5,751
Other Benefits	-	-
Separations and redundancies	-	-
	88,472	60,517

Note 13: Related Parties

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

Affiliation Fees Paid:		
CFMEU National	352,162	357,449
Unions WA	2,889	2,701
ALP WA Branch	7,067	11,739

Note 14: Events Subsequent to Reporting Date

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

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 15: Critical Accounting Estimates and Judgements

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

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

Any significant estimates and judgements made have been described below.

Note 16: Additional disclosures required under the *Fair Work (Registered Organisations) Act 2009* Events Subsequent to Reporting Date

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

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

Note 17: Section 272 Fair Work (Registered Organisations) Act 2009

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

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

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

Note 18: Recovery of Wages Activity

No recovery of Wages activity was carried out by the Union for the year ended 31 December 2017 (2016:Nil).

Note 19: Capital Expenditure Commitments

There are no capital expenditure commitments for the 12 months ended 31 December 2017.

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 20: Financial Risk Management

Financial risk management policies

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2017	2016
		\$	\$
Financial Assets			
Cash and cash equivalents	4	512,080	564,467
Trade debtors	5	154,888	247,679
		666,968	812,146
Financial Liabilities			
Trade & sundry payables	8	48,552	92,123
		48,552	92,123

Financial Risk Management Policies

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

Specific Financial Risk Exposure and Management

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

a. Interest rate risk

The Union is not exposed to any significant interest rate risk since cash balances are maintained at variable rates and borrowings of the Union are not considered significant.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 20: Financial Risk Management (continued)

Specific Financial Risk Exposure and Management (Cont)

b. Liquidity risk

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

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

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

Financial liability and financial assets maturity analysis

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
Financial liabilities								
Trade & sundry payables	48,552	92,123	-	-	-	-	48,552	92,123
Total financial liabilities	48,552	92,123	-	-	-	-	48,552	92,123
Financial assets								
Cash & cash equivalents	512,080	564,467	-	-	-	-	512,080	564,467
Trade & other receivables	188,463	246,679	-	-	-	-	188,463	246,679
Total financial assets	666,968	812,146	-	-	-	-	666,968	812,146

Financial assets pledged as collateral

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

c. Foreign exchange risk

The Union is not exposed to fluctuations in foreign currencies

CFMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 20: Financial Risk Management (continued)

Specific Financial Risk Exposure and Management (Cont)

d. **Credit risk**

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

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

Credit risk exposure

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

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

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

e. **Price risk**

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

Net Fair Values

Fair value estimation

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

CFMEU - MINING AND ENERGY DIVISION OF WA
 ABN 26 591 880 340
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2017

Note 20: Financial Risk Management (continued)

Net Fair Values (Cont)

	Footnote	2017		2016	
		Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
		\$	\$	\$	\$
Financial assets					
Cash & cash equivalents	(i)	512,080	512,080	564,467	564,467
Trade & other receivables	(i)	154,888	154,888	247,679	247,679
Total financial assets		666,968	666,968	812,146	812,146
Financial liabilities					
Trade & sundry payables	(i)	48,552	48,552	92,123	92,123
Total financial liabilities		48,552	48,552	92,123	92,123

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

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

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

Audit Opinion

In our opinion:

- i. there were kept by the reporting unit in respect of the period satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purpose of expenditure;
- ii. the attached accounts, notes, and statements on pages 4 to 23 have been prepared in accordance with Australian Accounting Standards, and are properly drawn up in accordance with the rules of the reporting unit, and so as to give a true and fair view of,
 - a) the financial position of the reporting unit as at 31 December 2017, and its financial performance and its cashflows for the year ended on that date
 - b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act); and
 - c) the income and expenditure and surplus of the reporting unit for the 12 months ended on that date.
- iii. Management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.

Report on the Financial Report

We have audited the financial statements of the CFMEU Mining & Energy Division for the 12 months ended 31 December 2017, comprising the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cashflows, the detailed Profit and Loss Statement, the notes to the financial statements, including a summary of significant accounting policies and the Committee of Management Statement.

Basis for Opinion

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

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

Information Other than the Financial Statements

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

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

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

Management Committees' Responsibility for the Financial Report

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

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

Auditors Responsibility

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

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

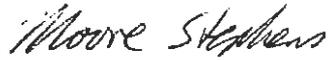
The audit opinion expressed in this report has been formed on the above basis.

I declare that I am an approved auditor, a Fellow of CAANZ and hold a current public practice certificate.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act we are required to describe any deficiencies, failure or shortcomings in respect of the matters referred to in section 252 and 257(2) of the RO Act.

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



MOORE STEPHENS
CHARTERED ACCOUNTANTS
PERTH



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

Signed at Perth this 7th day of May 2018

**CFMEU – MINING & ENERGY DIVISION OF WA
FINANCIAL REPORTS FOR YEAR ENDED 31 DECEMBER 2017**

Certificate of Secretary or other Authorised Officer

I, Gregory Busson being the Secretary of the CFMEU – Mining & Energy Division of WA certify:

- that the documents lodged herewith are copies of the full report, referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on 7th May 2018; and
- that the full report was presented for the purposes of section 266 of the *Fair Work (Registered Organisations) Act 2009*, to meetings of the members of Lodges, the last meeting being on 15th June 2018; and
- that the full report was also subsequently presented to the Committee of Management on 25th June 2018

Signature:



Date: 28th June 2018

CFMEU MINING & ENERGY DIVISION
WA DISTRICT BRANCH



1st May 2018

Moore Stephens Perth
Level 15, Exchange Tower
2 The Esplanade
Perth, WA 6000

Dear Sirs

In connection with your audit examination of the financial report of The CFMEU Mining & Energy Division of WA ("the Union") for the period ended 31 December 2017 we hereby confirm, at your request, that to the best of our knowledge and belief, the following representations relating to the accounts are correct.

Financial Report

The financial report of the Union has been drawn up so as to give a true and fair view of the Union's financial position as at 31 December 2017 and performance for the year ended on that date.

The accounting records of the Union were maintained in accordance with the requirements of the Corporations Act 2001 and the financial report was prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and other mandatory professional requirements in Australia and Statutory requirements or the applicable Accounting Standards detailed in note 1 to the financial report.

Accounts Receivable

- (1) Current accounts receivable at balance sheet date are valid debts and do not include amounts due for goods on consignment or on approval.
- (2) Debts due that are known to be uncollectible have been written off and the provision for impairment of Receivables is sufficient to cover allowances, discounts and losses that may be sustained in collection of the debts.

Other Current Assets

We expect to realise all other current assets at least at the amounts at which they are stated in the financial report.

Property, Plant & Equipment

- (1) The additions to property, plant and equipment accounts, as recorded in the books, represent the cost of additions or improvements to existing facilities or replacements thereof. All units of property, plant and equipment which have been replaced, sold, dismantled or otherwise disposed of, or which are permanently unusable, have been removed from the fixed asset register. Adequate provision determined in a manner consistent with that of the preceding year, has been made to write off depreciable assets over their useful lives.
- (2) No circumstances have arisen, which render adherence to the existing basis of depreciation misleading or inappropriate.
- (3) Allowances for depreciation have been adjusted for all important items of property, plant and equipment that have been abandoned or are otherwise unusable.
- (4) All additions to property, plant and equipment represent actual additions or improvements of a capital nature. No items of repairs and maintenance have been carried forward as property, plant and equipment and no capital additions or improvements were charged to expenses.
- (5) Where the recorded value of any item of property, plant and equipment exceeds its recoverable amount, the asset's recorded value has been written down to its recoverable amount. We have considered the

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requirements of AASB 136 Impairment of Assets when assessing the carrying value of non-current assets and in ensuring that no non-current assets are stated in excess of their recoverable amount.

- (6) The Union has satisfactory title to all assets and there are no deficiencies or encumbrances attaching to the title of the assets of the Union at 31 December 2017 other than those reflected in the financial report and these are not greater than the value of the asset.
- (7) No operating or finance lease commitments exist that have not been included in the financial report. All operating lease expenses have been disclosed in the notes to the Income Statement. Finance leasing commitments have been included in the notes to the Balance Sheet.

Liabilities

- (1) All liabilities which have arisen or which will arise out of the activities of the members of the Union to the end of the financial year have been recorded and/or disclosed in the financial report.
- (2) There were no provisions or contingent liabilities including:
 - (a) Guarantees;
 - (b) Bills and accounts receivable discounted, assigned or sold and which are subject to recourse;
 - (c) Endorsements;
 - (d) Pending law suits, unsatisfied judgements or claims;
 - (e) Repurchase agreements; or
 - (f) Uncalled capital on shares held in other companies at balance date;

which are not shown in the notes to the financial report.

Commitments

- (1) There are no material commitments for construction or acquisition of property, plant & equipment or to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial report.
- (2) There were no commitments for purchase or sale of securities or assets or any options given by the Union including options over share capital.

Related party transactions

- (1) We have made available to you all information regarding the identification of related party relationships and transactions.
- (2) We have made available to you details and records relating to:
 - (a) Any agreements or transactions between employees, controlled entities and this entity.
 - (b) Any equity interests or directorships held by employees in other entities, which are party to, directly or indirectly, any agreements or transactions with this organisation and/or any controlled entity or related party of this organisation.
 - (c) Any external accounting advice received on these agreements, transactions or interests.
- (3) All details concerning related party transactions and related amounts receivable or payable (including sales, purchases, loans and guarantees) have been correctly recorded in the accounting records and have been properly disclosed in the Union's financial report or the notes thereto, either where required by statute or where such disclosure is necessary for the fair presentation of the Union's financial report.

Investments

Where applicable, adequate provision has been made in the financial report for any permanent diminution in the value of investments.

Environmental issues

We have considered whether environmental matters could have a material impact on the financial report and conclude that:

- We are not aware of any material liabilities or contingencies arising from environmental matters, including those resulting from illegal or possibly illegal acts.

- We are not aware of environmental matters that may result in a material impairment of assets.
- Where we are aware of such matters referred to in the two points above, we have disclosed to you all facts relating to those matters.

Accounting misstatements detected by audit

- (1) We acknowledge that there are no uncorrected misstatements
- (2) Where applicable, we have advised to you and adjusted the financial report for all material misstatements that we have identified from previous periods.
- (3) We have also considered the impact of uncorrected misstatements from previous periods and conclude there are no such material misstatements.

Insurance

The Union has an established procedure whereby an officer reviews at least annually the adequacy of insurance cover on all assets and insurable risks. This review has been performed, and where it is considered appropriate, assets and insurable risks of the Union are adequately covered by insurance.

Litigation and claims

We have provided to you all information regarding material outstanding legal matters.

Accounting estimates

We confirm the significant assumptions used in making accounting estimates are reasonable and have been disclosed in the financial report.

Fair value measurements and disclosures

We confirm the significant assumptions used in fair value measurements and disclosures are reasonable, and appropriately reflect our intent and ability to carry out specific courses of action on behalf of the Union.

Going concern

In the opinion of the management committee of the union, there are reasonable grounds to believe that the union will be able to:

- Pay its debts as and when they fall due.
- Continue as a going concern for the foreseeable future.

We, therefore, confirm that the going concern basis is appropriate for the financial report.

Events after balance sheet date

The Directors are not aware of any other matters or circumstances which have arisen 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 subsequent financial years.

Publication on web site

With respect to publication of the financial report on our website, we acknowledge that:

- (a) We are responsible for the electronic presentation of the financial report;
- (b) We still ensure that the electronic version of the audited financial report and the auditor's report on the web site will be identical to the final signed hard copy version;
- (c) We will clearly differentiate between audited and unaudited information in the construction of the entity's web site as we understand the risk of potential misrepresentation;
- (d) We have assessed the controls over the security and integrity of the data on the web site and that adequate procedures are in place to ensure the integrity of the information published; and
- (e) We will not present the auditor's report on the full financial report with extracts only of the full financial report.

Fraud and error

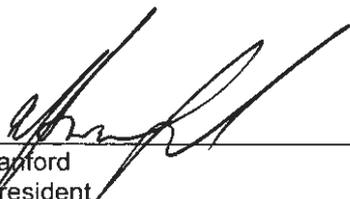
- (1) There has been no:
 - (a) Fraud, error, or non-compliance with laws and regulations involving management or employees who have a significant role in the internal control structure.
 - (b) Fraud, error, or non-compliance with laws and regulations that could have a material effect on the financial report.
 - (c) Communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.
- (2) Where applicable, the union has disclosed to the auditor all significant facts relating to any frauds or suspected frauds known to management that may have affected the entity.
- (3) The union has disclosed to the auditor the results of its assessment of the risk that the financial report may be materially misstated as a result of fraud.

General

- (1) We have made available to you:
 - (a) All financial records and related data, other information, explanations and assistance necessary for the conduct of the review.
 - (b) Minutes of meetings of Committee members.
- (2) Neither the union nor any Directors have any plans or intentions that may materially affect the book value or classification of assets and liabilities at balance sheet date.
- (3) The union accepts responsibility for the implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and error. We have established and maintained adequate internal control to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.
- (4) We have no plans or intentions that may materially affect the carrying values, or classifications, of assets and liabilities.
- (5) Where applicable, the following have been properly recorded or disclosed in the financial report:
 - (a) Arrangements involving restrictions on cash balances, compensating balances and line-of-credit or similar arrangements.
 - (b) Agreements to repurchase assets previously sold.
 - (c) Unasserted claims or assessments that our lawyer has advised us are probable of assertion.
 - (d) Losses arising from the fulfilment of, or an inability to fulfil, any sale commitments or as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of prevailing market prices.
- (6) The minutes of meetings of Committee members made available to you are complete and authentic records of all such meetings held during the year.
All other statutory records were properly kept during the period.
- (7) Records maintained during the period were in accordance with the Australian Taxation Office requirements.
- (8) There are no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial report or as a basis for recording an expense.
- (9) The union has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.

We understand that your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the Union taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Robert Sanford', is written over a horizontal line.

Robert Sanford
District President

Dated this 1st day May 2018



Australian Government
Registered Organisations Commission

7 June 2018

Mr Gary Wood

District Secretary; National Executive Member - M&E Division (WA)

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

Sent via email: cfmeumwa@highway1.com.au

Dear Mr Wood,

Lodgement of Financial Report - Reminder to lodge

The Registered Organisations Commission's (the ROC) records disclose that the financial year of the Construction, Forestry, Maritime, Mining and Energy Union-Mining and Energy Division Western Australia District Branch (the reporting unit) ended on the 31 December 2017.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s.254, s.265, s.266, s.268). The full report must be lodged with the ROC within 14 days of that meeting.

The ROC encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the Commissioner instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the Commissioner following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$105,000 per contravention on the organisation and up to \$21,000 per contravention on an officer whose conduct led to the contravention.

Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for a body corporate and \$21,000 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to regorgs@roc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

Should you seek any clarification in relation to the above, please contact me on (03) 9954 2931 or via email at Sam.Gallichio@roc.gov.au.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Sam Gallichio', written in a cursive style.

Sam Gallichio
Registered Organisations Commission



18 January 2018

Mr Gary Wood
District Secretary; National Executive Member - M&E Division (WA)
Construction, Forestry, Mining and Energy Union-Mining and Energy Division Western Australia District
Branch

By Email: cfmeumwa@highway1.com.au

Dear Mr Wood,

**Re: Lodgement of Financial Report - [FR2017/293]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Construction, Forestry, Mining and Energy Union-Mining and Energy Division Western Australia District Branch (the reporting unit) ended on 31 December 2017. 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 31 March 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 June 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.

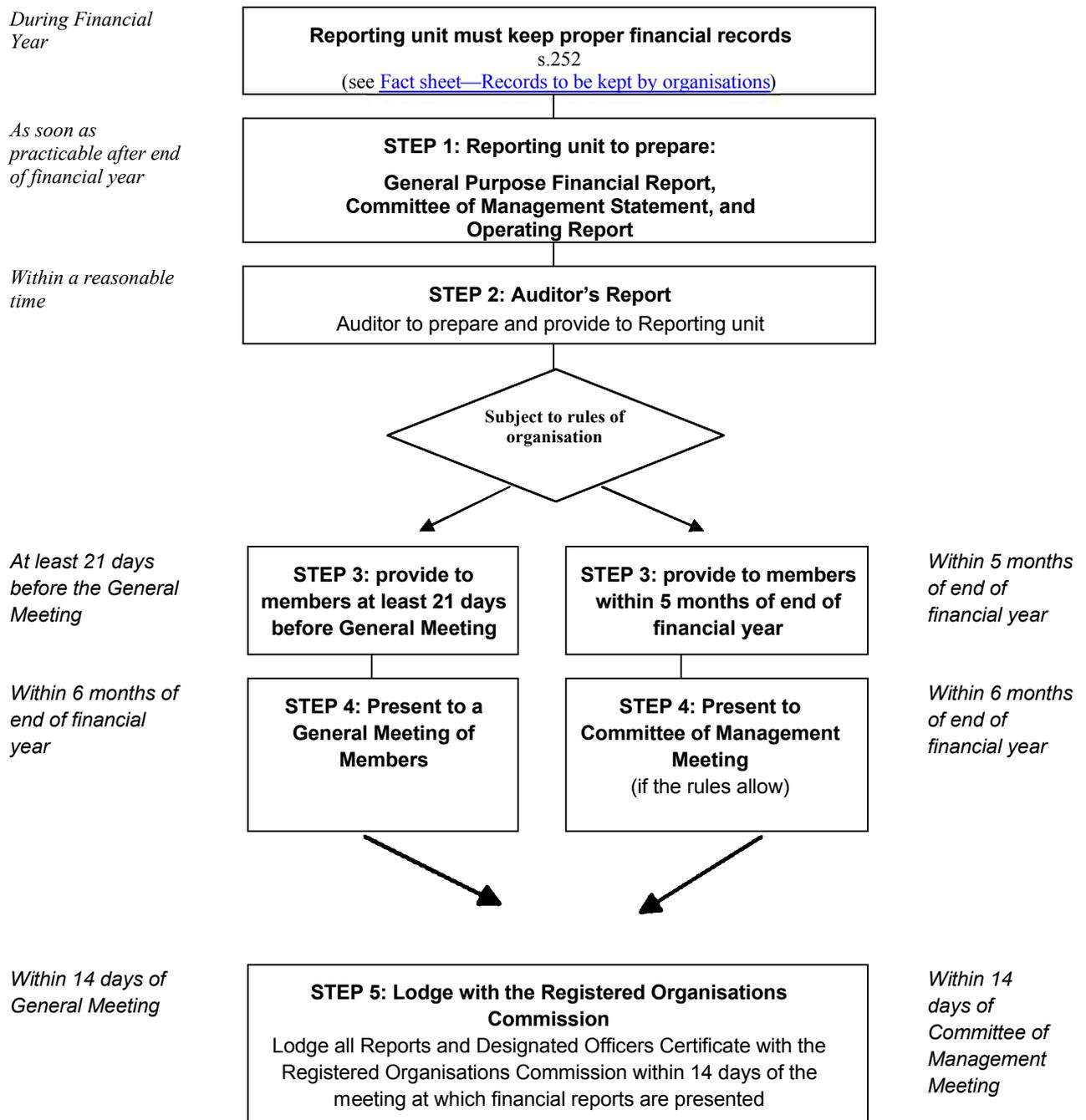
Yours faithfully,

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
<p>X Only reporting units must lodge the Statement.</p>	<p>✓ All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.</p>
<p>X Employees can sign the Statement.</p>	<p>✓ The statement must be signed by an elected officer of the relevant branch.</p>

	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.
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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

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