



14 February 2014

Mr Gordon Thomson  
General Secretary  
Union of Christmas Island Workers  
P.O Box 84  
CHRISTMAS ISLAND, INDIAN OCEAN 6798

Dear Mr Thomson

**Union of Christmas Island Workers Financial Report for the year ended 31 December 2012  
- FR2012/594**

I acknowledge receipt of the financial report of the Union of Christmas Island Workers for the year ended 31 December 2012. The documents were lodged with Fair Work Commission on 6 June 2012. I acknowledge receipt of supplementary information on 11 February 2014 addressing the issues raised in the letter I sent dated 6 November 2013.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

**Changes to the legislation and reporting guidelines**

I note with the change of legislation, references to Fair Work Australia will need to be updated to the Fair Work Commission.

Additionally, a third edition to the General Manager's s.253 reporting guidelines was gazetted on 26 June 2013. These guidelines will apply to all financial reports that end on or after 30 June 2013. Fair Work Commission has also developed a model set of financial statement for the 2012-2013 financial year. There is no requirement to use this model but it may be a useful resource to ensure compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 reporting guidelines and the Australian Accounting Standards.

The guidelines and model financial statements are available on the website here:

<http://www.fwc.gov.au/index.cfm?pagename=regorgsfrguidelines#finance>

If you have any queries regarding this letter, please contact me on (03) 8661 7886, or by email at [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au).

Yours sincerely

Joanne Fenwick  
Financial Reporting Specialist  
Regulatory Compliance Branch

Tuesday 11 February 2014

Ms Joanne Fenwick  
Financial Reporting Specialist  
Fair Work Commission  
11 Exhibition Street  
GPO Box 1994  
Melbourne VIC 3001  
By email: [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au)

Dear Ms Fenwick

**Union of Christmas Island Workers Financial Report year ended 31 December 2012  
FR2012/594**

Further to our telephone conversation today regarding matters you required me to attend to in order for the above UCIW Financial Report to be filed, I provide the following responses.

**1. General purpose financial report**

I confirm the **Union of Christmas Island Workers Financial Report year ended 31 December 2012** (the Report) is a general purpose financial report, as described in the Committee of Management statement and the Auditor's Report, and I advise the Note 1 incorrectly refers to a *special purpose report*. Please disregard the incorrect reference in Note 1.

**2. Auditor's Report**

I confirm the Committee of Management Statement was included in the Auditor's scope and audited.

**3. General Purpose Financial Report**

Prepared in accordance with the *RO Act*

I confirm that the financial statements were prepared in accordance with the *RO Act*.

Revenue recognition

I understand that the notes to the report should include a description of how the accounting standards are applied.

Membership fees are received and recorded in one of two categories: entrance fees or periodic subscriptions. The balances are combined in the profit and loss account for the year in the **Income** item, Membership Fees Received.

Compulsory levies and voluntary contributions are received and recorded separately. Separate balances are included in the **Income** item, Levies Received, for compulsory levies and the **Income** item, Donations Received, for voluntary contributions. For the financial year ended 31 December 2012 there were no compulsory levies and so there is no Levies Received item in the financial statements.

Disclosure of audit fees

Audit fees of \$4705.00 were paid to the auditor Abbotts Solutions for the audit of the financial report in the year ended 31 December 2012.



### Property Plant and Equipment

A depreciation schedule forms part of the financial statements and was included in the audit of the financial report. However the Independent Auditor's Report refers to the pages numbered 10-18 as the subject of the audit. This reference is incorrect as it applies only to the financial statements and does not take in the Committee of Management Statement, pages 7-8 and the Depreciation Schedule which appears after page 18 of the report as a separate document with pages numbered 1-2. Each of those documents was included in the financial report and audit.

It is noted that the FWC is unimpressed by the depreciation schedule for the purposes of the financial reporting requirements of the *RO Act*. FWC's recommendation that Note 6 of FWC's newly published *Model Accounts* be used in future reports is accepted and shall be implemented in the report for the year ending 31 December 2013.

### Key Management Personnel

In the reporting year Ms Kaye Bernard was paid as the elected General Secretary for the period 20 February to 16 March 2012 and for 16 days annual leave accumulated during service in 2011 and 2012 and paid on termination of engagement. Superannuation contributions by the employer totalled \$950.00.

Short term employee benefits	\$6722.20 - car, salary and annual leave (refer Note 3)
Post employment benefits	\$950.00 - superannuation
Other long term benefits	nil
Termination benefits	\$6425.80
Share based benefits	nil

In the reporting year Gordon Thomson was paid as the acting General Secretary from 1 January 2012 to 20 February 2012 and from 16 March until the union election in November when elected General Secretary and thereafter to 31 December 2012.

Short term employee benefits	\$91,230 - car, salary and annual leave (refer Note 3)
Post employment benefits	\$12,539 - superannuation
Other long term benefits	\$35,716 - Long Service leave provision (refer Note 3)
Termination benefits	nil
Share based benefits	nil

I trust the above responses to the matters elaborated in your letter of 16 November satisfy the Fair Work Commission's requirements for filing of our financial report for the year ended 31 December 2012. I thank you for your patient assistance.

Yours faithfully



Gordon Thomson  
General Secretary

cc Abbott Solutions- auditor



CERTIFICATE OF GENERAL SECRETARY

FOR THE YEAR ENDED 31 DECEMBER 2012

I Gordon Sinclair Thomson being the General Secretary of the Union of Christmas Island Workers certify:

- that the documents lodged herewith are copies of the full report, referred to in section 268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report, was provided to members on 15 May 2013; and
- that the report was presented to the general meeting of members of the Union held on 5 June 2013; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.



GORDON SINCLAIR THOMSON  
GENERAL SECRETARY

For and on behalf of Union of Christmas Island Workers

Dated: 6 June 2013



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of the Union of Christmas Island Workers

### Scope

We have audited the financial report set out on pages 10 to 18 for the year ended 31 December 2012. The Executive Committee is responsible for the preparation and presentation of the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts of and other disclosures in the financial statements, 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 financial report is presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and statutory requirements so as to represent a view of the Union which is consistent with our understanding of its financial position and the results of its operations.

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

#### **Mount Lawley Office**

3 Alvan Street, Mount Lawley WA 6050

#### **Postal address**

PO Box 42, Mount Lawley WA 6929

**T** : (08) 9272 8611

**F** : (08) 9272 3509

**E** : [info@abbottsolutions.com.au](mailto:info@abbottsolutions.com.au)

**W** : [www.abbottsolutions.com.au](http://www.abbottsolutions.com.au)

#### **Port Hedland Office**

15 Edgar Street, Port Hedland WA 6721

#### **Postal address**

PO Box 149, Port Hedland WA 6721

**T** : (08) 9173 2944

**F** : (08) 9173 5557

**E** : [info@abbottsolutions.com.au](mailto:info@abbottsolutions.com.au)

**W** : [www.abbottsolutions.com.au](http://www.abbottsolutions.com.au)

## **Audit Opinion**

In our opinion

- (i) there were kept by the Union in relation to the year satisfactory account records, including:
  - (a) records of the sources and nature of the income of the Union (including income from members); and
  - (b) records of the nature and purposes of the expenditure of the Union; and
- (ii) the general purpose financial report presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the reporting requirements in Australia and the requirements of the Fair Work (Registered Organisations) Act 2009; and
- (iii) The 2012 figures show that the Union was solvent with a profit of \$19,618.

The 2011 figures show the Union is not solvent. It was due to the wages paid in 2011 have caused a loss of \$63,553. The committee has addressed the cash flow for 2012 and has ensured the solvency of the union going forward.

all the information and explanations that officers or employees of the Union were required to provide were provided.

ABBOTT SOLUTIONS



**S C OUTTRIM CPA**  
APPROVED AUDITOR

DATE: 15 May 2013



## OPERATING REPORT FOR YEAR ENDED 31 DECEMBER 2012

### Principal Activities

The principal activities of the Union during the reporting period were to provide Industrial and organising services to the members consistent with the objects of the Union and particularly the object of protecting and improving the interests of the members.

The Union's principal activities resulted in maintaining and improving the wages and conditions of employment of the membership, particularly for those members in collective enterprise agreements negotiated by the Union.

### Significant Changes in Financial Affairs

No significant changes in the Union's state of affairs occurred during the financial year.

### Manner of Resignation

Members may resign from the Union in accordance with rule 13, which reads as follows:

A member may resign their membership by notifying the General Secretary in writing, addressed and delivered to that officer.

A notice of resignation from membership takes effect:

- (a)** where the member ceases to be eligible to become a member of the union:
- (i) on the day on which the notice is received by the union; or
  - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a members;

whichever is later; or

---



- (b) in any other case:
  - (i) at the end of two weeks, after notice is received by the organisation; or
  - (ii) on the day specified in the notice;

whichever is later.

Any dues payable but not paid by a former member of the union, in relation to a period before the member's resignation from the union took effect, may be sued for and recovered in the name of the union, in a court of competent jurisdiction, as a debt due to the union.

A notice delivered to the Secretary shall be taken to have been received by the union when it is delivered.

A notice of resignation that has been received by the union is not valid because it was not addressed and delivered to the Secretary.

A resignation from membership is not invalid even if it is not affected in accordance with this Rule if the member is informed in writing by or on behalf of the organisation that the resignation has been accepted.

#### Trustee of Director of Trustee Company of Superannuation Entity or Exempt Public Sector Superannuation Scheme

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

The number of persons who, at the end of the reporting period, were recorded on the Register of Members of the Union was 281.



### Number of Employees

The number of persons who were, at the end of the reporting period, employees of the Union was 2.

### Members of Committee of Management

The persons who held office as members of the Committee of Management of the Association during the reporting period are:

FOO, Kee Heng (President)  
THOMSON, Gordon (General Secretary, effectively on 17/03/2012)  
KAYE, Bernard (General Secretary, resigned on 16/03/2012)  
LOW, Jeffrey (Trustee)  
DE CRUZ, Ronald Edward (Trustee)  
KOH, Nora (Vice President)  
LEE, Kelvin Kok Bin (Vice President)  
NG, Hooi Hock (Committee Member)  
SAW, Chang Siew (Committee Member)  
SU, Zhong Xiong (Committee Member)  
LINES, Oliver (Committee Member)



---

GORDON THOMSON

DATED: 15 May 2013



## **UNION OF CHRISTMAS ISLAND WORKERS**

### **GENERAL SECRETARY'S STATEMENT**

### **FOR THE YEAR ENDED 31 DECEMBER 2012**

In my opinion the accompanying accounts as set out on pages 9 to 17:-

- (a) Are drawn up so as to give a true and fair view of the state of the Union's affairs as at 31 December 2012 and of its net profit for the year ended on that date; and
- (b) At the date of this statement there are reasonable grounds to believe that the Union will be able to pay its debts as and when they fall due.

The accounts have been made out in accordance with Statement of Accounting Concepts and all Applicable Accounting Standards.



---

GORDON THOMSON  
GENERAL SECRETARY  
For and on behalf of Union of Christmas Island Workers

Dated: 15 May 2013



## UNION OF CHRISTMAS ISLAND WORKERS

### Committee of Management Statement

I FOO, KEE HENG being a member of the Committee of Management of the Union of Christmas Island Workers, do state that on the 15 May 2013 the Committee of Management of the Union of Christmas Island Workers passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2012:

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 reporting guidelines of the Industrial Register;
- 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;
- e) during the financial year to which the GPFR related and since the end of that year:
  - i) meetings of the committee of management were held in accordance with the rules of the Union including the rules of a branch concerned; and
  - ii) the financial affairs of the Union 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 Union have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and

- iv) the information sought in any request of a member of the reporting entity or a General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager; and
- v) there have been no orders made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
- vi) in relation to the recovery of wages activity there has been no such activity undertaken by the reporting unit.

For Committee of Management: FOO KEE HENG

Title of Office Held: President



---

FOO KEE HENG

Dated: 15 May 2013

This Committee of Management Certificate forms part of the Accounts and Statements referred to in the Auditors Report.



UNION OF CHRISTMAS ISLAND WORKERS  
FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
31 DECEMBER 2012



UNION OF CHRISTMAS ISLAND WORKERS  
BALANCE SHEET AS AT 31 DECEMBER 2012

	CURRENT	PRIOR
	\$	\$
MEMBERS FUNDS	23,512	3,894
	<hr/>	<hr/>
Represented by -		
<b>CURRENT ASSETS</b>		
Cash at Bank		
Westpac Bank	35,701	20,388
Sundry Debtors - ATO	0	1,488
	<hr/>	<hr/>
	35,701	21,875
<b>CURRENT LIABILITIES</b>		
Provision for PAYG Withholding	9,049	8,810
Provision for Annual Leave	19,795	30,042
Provision for Long Service Leave	38,143	34,830
	<hr/>	<hr/>
	66,987	73,682
	<hr/>	<hr/>
<b>WORKING CAPITAL/(DEFICIENCY)</b>	(31,286)	(51,807)
<b>NON-CURRENT ASSETS</b>		
Land & Buildings - at Cost	50,443	50,443
Plant & Equipment - at Cost	17,002	27,510
Accumulated Depreciation	(13,835)	(23,786)
	<hr/>	<hr/>
	3,167	3,724

These Statements should be read in conjunction with the  
Notes and Audit Report of Abbott Solutions



UNION OF CHRISTMAS ISLAND WORKERS  
BALANCE SHEET AS AT 31 DECEMBER 2012

	CURRENT	PRIOR
	\$	\$
Motor Vehicles - at Cost	26,088	26,088
Accumulated Depreciation	(24,900)	(24,554)
	1,188	1,534
	4,355	5,258
Total Non - Current Assets	54,798	55,701
	23,512	3,894
<b>NON-CURRENT LIABILITIES</b>		
	23,512	3,894
<b>EXCESS OF ASSETS OVER LIABILITIES</b>	23,512	3,894

These Statements should be read in conjunction with the  
Notes and Audit Report of Abbott Solutions



UNION OF CHRISTMAS ISLAND WORKERS  
MEMBERS FUND ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

	CURRENT	PRIOR
	\$	\$
Opening Balance	3,894	67,447
Net Profit/(Loss)	19,618	(63,553)
	<hr/>	<hr/>
	23,512	3,894
	<hr/> <hr/>	<hr/> <hr/>

These Statements should be read in conjunction with the  
Notes and Audit Report of Abbott Solutions



UNION OF CHRISTMAS ISLAND WORKERS  
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

	CURRENT	PRIOR
	\$	\$
<b>INCOME</b>		
Consultancy Fees		
Donations Received	9,900	7,480
Interest Received	123	204
Workers Compensation Received		
Rent Income	20,800	18,700
Membership Fees Received	174,445	164,651
Miscellaneous Income	1,630	2,590
Employee Entitlement - Annual Leave	10,247	1,329
	217,145	194,954
<b>EXPENDITURE</b>		
Accounting & Audit Fees	6,453	4,555
Advertising & Promotion	-	-
Annual Leave Expense	-	-
Affiliation Fees	4,744	3,099
Bank Charges	35	29
Bookkeeping Fees	1,640	1,243
Cleaning	950	964
Computer Requisites	555	-
Depreciation	1,099	1,106
Donations - Other	200	700
Electricity	3,217	3,196
Entertainment	560	2,690
Fees & Licences	291	352
Fringe Benefits Tax	2,794	525
Insurance	3,599	2,653
Internet & Service Fees	847	769
Long Service Leave Expense	3,313	1,510
Loss on Sale of Asset	904	-

These Statements should be read in conjunction with the  
Notes and Audit Report of Abbott Solutions



UNION OF CHRISTMAS ISLAND WORKERS  
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

Motor Vehicle		
Fuel & Oil	2,897	3,240
Repairs & Maintenance	1,015	3,188
Registration	1,004	1,033
	-----	-----
	4,916	7,461
Printing, Stationery & Stamps	257	3719
Rates & Taxes	3,444	3,098
Repairs & Maintenance	8,960	2,174
Staff Amenities	67	0
Sundry Expenses	168	196
Staff Accommodation	300	13,962
Staff Airfares	493	1,040
Superannuation		
- Employees	2,152	2,189
- Elected Officials	13,489	27,785
Telephone	3,442	3,733
Union Day Expenses	6,188	12,345
Wages		
- Employees	15,166	16,841
- Elected Officials	79,890	145,073
	-----	-----
	197,527	258,507
	-----	-----
NET PROFIT/(LOSS)	19,618	(63,553)
	=====	=====

These Statements should be read in conjunction with the  
Notes and Audit Report of Abbott Solutions



UNION OF CHRISTMAS ISLAND WORKERS

STATEMENT OF CASH FLOWS FOR YEAR ENDED 31 DECEMBER 2012

	<b>2012</b>	<b>2011</b>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Members & Donors	184,345	172,131
Payments to Suppliers and Employees	(190,485)	(257,276)
Interest Received	123	204
Rental Income Received	20,800	18,700
Other Income	1,630	2,590
Net cash provided by (used in) Operating Activities	<u>16,413</u>	<u>(63,651)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Plant & Equipment	<u>(1,100)</u>	-
Net cash provided by (used in) Investing Activities	<u>(1,100)</u>	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Borrowings – TLC Building	-	-
Net cash provided by (used in) Financing Activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held	15,313	(63,651)
Cash at 31 December 2011	20,388	84,039
Cash at 31 December 2012	<u>35,701</u>	<u>20,388</u>



UNION OF CHRISTMAS ISLAND WORKERS  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012

**1 Statement of Significant Accounting Policies**

This financial statement is a special purpose report prepared for use by the directors and members of the company. The directors have determined that the company is not a reporting entity.

The financial statement has been prepared in accordance with the requirements of the following applicable Australian Accounting Standards:

AASB 101:	Presentation of Financial Statements
AASB 110:	Events after the Balance Sheet Date
AASB 116:	Property, Plant and Equipment
AASB 119:	Employee Benefits
AASB 139:	Recognition and Measurement of Financial Instruments
AASB 1031:	Materiality

No other Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial statement has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

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

**Property, Plant and Equipment**

All property, plant and equipment including freehold land and buildings, are initially measured at cost. Plant and equipment are depreciated over their useful lives to the company.

The carrying amount of plant and equipment is reviewed annually by the board to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.



## **Depreciation**

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the company. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the assets is reviewed annually to ensure they are still appropriate.

## **Employee Benefits**

Provisions for annual leave and long service leave arising from employee services rendered are recognised and have been measured at the amounts expected to be paid when the liability is settled ,plus related on-costs.

## **Provisions**

Provisions are recognised when the company has a 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.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## **2 Prescribed Information Is Available To Members on Request**

In accordance with Sections 272(1), (2) & (3) of RO Act,

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (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 the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).



<b>3 Employee Benefits</b>	<b>2012</b>	<b>2011</b>
<b>Current</b>		
Provision for Annual Leave		
▪ Elected Officer	16,828	27,969
▪ Employee	<u>2,967</u>	<u>2,073</u>
	<u>19,795</u>	<u>30,042</u>
Provision for Long Service Leave		
▪ Elected Officer	35,716	1,962
▪ Employee	<u>2,427</u>	<u>32,868</u>
	<u>38,143</u>	<u>34,830</u>





