

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Additional Estimates 2012-2013**

Agency - Fair Work Commission

DEEWR Question No. EW0884_13

Senator Abetz asked on 13 February 2013, Hansard page 15

Question

Fines Paid by Registered Organisations

Senator ABETZ: Thank you for that. Up to this date, have registered organisations been required to detail separately the fines that they have had to pay, let us say to the Federal Court, in their annual statements? Ms Carruthers: I will have to take that on notice. I think if it is anywhere within the reporting guidelines—do you mean fines that are imposed for a contravention of the Registered Organisations Act? Senator ABETZ: No, of the—let us say the Building and Construction Improvement Act, in relation to fines that might be imposed by a Supreme Court for an illegal picket or whatever else. If they are charged and convicted and have to pay a fine, does that need to be included in the financial returns filed with you and circulated to members? Ms Carruthers: Can I take that on notice, Senator? I think it may also be a questions about the Australian accounting standards as well, so I will certainly take that on notice. Senator ABETZ: Yes. Ms O'Neill: Can I just add to that, Senator. The broader review about the reporting guidelines is being examined with a view to other areas of disclosure that may not be mandated by the legislation but can appropriately fall within the guidelines to aid compliance and disclosure in the objects of the provisions, so— Senator ABETZ: For example, did the CFMEU declare that they were hit with a \$1.35 million fine in their financial returns and did they disclose that to their membership—when would that have been: last financial year or the year before? Ms Carruthers: I will take that on notice.

Answer

The Fair Work Commission has provided the following response:

Paragraph 11(l) of the Reporting Guidelines that were published by the Industrial Registrar on 12 October 2004 require that financial reports disclose, in the statement of comprehensive income, balances for penalties imposed on a reporting unit under the *Fair Work (Registered Organisations) Act 2009*.

The Reporting Guidelines do not require disclosure of fines or penalties for contraventions of Acts other than the *Fair Work (Registered Organisations) Act 2009*. Australian Accounting Standards do not require that fines be separately disclosed. *AASB 101 Presentation of Financial Statements*, however, requires that material items of expenditure shall be disclosed and that items are to be separately presented if they are relevant to an understanding of the entity's financial performance.

The Victorian Branch of the Construction and General Division of the Construction, Forestry, Mining and Energy Union presented in the financial statements for the year ended 31 December 2009 a provision for legal settlement. A detailed disclosure of this provision was provided (in note 12) which stated that on 7 August 2009 the Australian Building and Construction Commission (ABCC) filed a statement of claim in the Federal Court of Australia alleging contraventions of the *Building and Construction Industry Improvement Act 2005* resulting from the West Gate Bridge industrial dispute. The note stated that on 23 February 2010 the Court was advised that the ABCC had reached an agreement with the CFMEU and its officials and that penalties submitted to the Court for consideration total \$1.1 million. A provision for legal settlement of \$1.1 million was taken up in the accounts in anticipation of the judgement to be issued by the Federal Court.

Note 10 to the financial statements for the year ended 31 December 2010 show an amount paid of \$1.1 million for the legal settlement.