



13 October 2015

Mr Michael Buchan  
Branch Secretary  
CFMEU Construction and General Division  
Western Australia Divisional Branch  
Trades Hall, 80 Beaufort Street  
Perth WA 6000

By e-mail: [mbuchan@cfmeuwa.com](mailto:mbuchan@cfmeuwa.com)

Dear Mr Buchan

**CFMEU Construction and General Division, Western Australia Divisional Branch  
Financial Report for the year ended 31 December 2014 - FR2014/395**

I acknowledge receipt of the amended financial report for the year ended 31 December 2014 for the CFMEU Construction and General Division, Western Australia Divisional Branch.

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

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7675 or by email at [ken.morgan@fwc.gov.au](mailto:ken.morgan@fwc.gov.au)

Yours sincerely

Ken Morgan  
Financial Reporting Advisor  
Regulatory Compliance Branch

**Construction Forestry Mining and Energy Union  
Construction and General Division – WA Branch**

**Financial Report for the  
Year ended 31 December 2014**

CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

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# CONSTRUCTION FORESTRY MINING AND ENERGY UNION

## CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

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### OPERATING REPORT

The Committee of Management present their operating report in respect of the year ended 31 December 2014 as follows:

#### Members of the Management Committee

The members of the Management Committee at any time during the year and the period which they held the position were:

Campbell McCullough, Ian Hawkins, Glenn Hawkins, Joseph McDonald, Graham Pallot, Leslie Wellington, Peter Ballard, Michael Buchan, Peter McGrahan, Walter Molina, Matt Waters and Robert Pearson.

Each of the above members held the position for the full year except for Peter Ballard who, after a career of dedication and service to members, retired from work and resigned from the Executive on 10 June 2014. A process is in place for him to be replaced.

#### Review of Activities

The principal activity of the Branch during the course of the financial year was to act as the Western Australian representative of the federally registered Construction, Forestry, Mining, and Energy Union – Construction and General Division (CFMEU C&G). The primary role of the Branch is to act on behalf of and to further the interests of its members.

There were no significant changes in the nature of the Branch's activities during the year.

The Executive notes the challenges presented by the Federal Liberal Government's workplace laws, the activities of the FWBC and the Royal Commission as being an attempt to disrupt the core business of the Union.

The Royal Commission made no adverse findings against the Branch, but its officers and staff spent much time dealing with the issues.

Similarly, the efforts of the Federal Government to restrict the activities, although having some impact, have not been effective in preventing the Union from its principal business of serving and recruiting members.

There has been a downturn in employment generally and an impact on membership. However the Union is well placed to take advantage of a pick-up in construction activity.

The attached accounts show that the Union has during the year continued the good work previously done, and that despite the challenges of the industrial and economic landscape the Union continues to be in a very strong financial position.

The Union will continue with its drive to secure proper wages and conditions for its members and to ensure that they return safely after doing their days work. During the year, after extensive consultation with members, the Union undertook a round of new EBA's containing significant structural adjustments. Those adjustments, whilst involving a loss of take home pay for some, should ensure ongoing employment for the membership and an opportunity for employers who value the skills of their workers to obtain new contracts, rather than have work only obtained on a "lowest price" basis.

The Union continues to be challenged by attempts to weaken it both by employers who refuse to pay proper wages and by Governments who want to prevent workers from having access to their Union.

As this Union has done in the past it will continue to meet these challenges in a coordinated and strategic way and will use its resources to achieve goals on behalf of its members.

The results of the activities for the year are summarised as follows:

- Total revenue was \$8,763,143 which represents a decrease of \$2,211,125 (20.2%) from the prior year. This reflects a decrease in the number of members during the year, combined with a reduction in income generated from the Training Levy, Sundry Income, Interest Received, Canteen Income

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

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and the one-off recognition of assets income brought to account last year. The reduction in revenue reflects the current decline in the economic and industry conditions over the last 12 months.

- The deficit for the year was \$684,495 compared with a surplus of \$284,817 in 2013. The fall in revenue along with the significant increase in Insurance-Member Benefit expense, partially offset by a significant decrease in legal and settlement costs, resulted in the deficit for the year.
- Full details of revenue and expenditure are set out on page 4 and 5.

**Significant Changes in Financial Affairs**

Significant changes in the state of affairs of the Branch during the year were:

- Total assets decreased to \$20,447,373 as at 31 December 2014 (2013 Restated: \$22,082,284) with the decrease arising largely from a reduction in cash balances.
- Total liabilities decreased to \$5,573,184 as at 31 December 2014 (2013 Restated: \$6,523,600) with the decrease largely due to a reduction in the provision for legal and settlement costs and a reduction in income received in advance.
- Net Assets decreased to \$14,874,189 as at 31 December 2014 (2013 Restated: \$15,558,684).

Effective from the beginning of the year (31 December 2013) the Branch changed the method in which it accounted for membership subscriptions after discussion with Fair Work Commission and to ensure consistency with the method adopted by all branches around Australia. The Branch changed from the cash basis to the accrual basis of accounting. The effect of this change was to reduce member funds at 31 December 2013 by \$3,108,109.

There were no other significant changes in the Branch's affairs during the financial period.

**The Right of Members to Resign**

A member may resign from the membership of the Union by a written notice addressed and delivered to the Divisional Branch Secretary or other officer of the Divisional Branch authorised to receive such correspondence.

**Membership Information**

The number of members of the Branch as at 31 December 2014 recorded in the register of members and taken to be members of the Branch were 8,454.

**Employee Information**

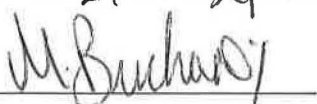
The number of full time equivalent employees of the Branch as at 31 December 2014 was 26.

**Trustee of a Superannuation Entity**

No officer or member is a trustee of a superannuation entity or an exempt public sector superannuation scheme or a director of a company that is a trustee of such an entity or scheme, where the criterion for the officer or member holding such a position is being an officer or member of a registered organisation.

Signed on behalf of the Committee of Management

Dated this 29<sup>th</sup> day of September, 2015.



Michael Buchan  
Secretary

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014**

	Note	2014 \$	Restated 2013 \$	2013 \$
<b>MEMBERS FUNDS</b>				
Balance at Beginning of Year		15,558,684	18,381,976	18,381,976
Adjustment to Retained Earnings for Change in Accounting Policy		-	(3,108,109)	-
Surplus / (Deficiency)		(684,495)	284,817	284,817
		<u>14,874,189</u>	<u>15,558,684</u>	<u>18,666,793</u>
<b>REPRESENTED BY:</b>				
<b>CURRENT ASSETS</b>				
Cash on Hand		2,100	2,100	2,100
Cash in Financial Institutions		13,757,636	17,044,858	17,044,858
Sundry Debtors		236,310	363,668	175,942
Managed Investments – at market value		844,697	797,020	797,020
<b>TOTAL CURRENT ASSETS</b>		<u>14,840,743</u>	<u>18,207,646</u>	<u>18,019,920</u>
<b>NON-CURRENT ASSETS</b>				
Loans Receivable – CFMEUW	2	2,558,532	694,758	694,758
Loans Receivable/(Payable) – CSTC	2	(159,007)	(159,007)	(159,007)
Furniture & Fittings - at cost		283,267	237,671	237,671
Furniture & Fittings - accumulated depreciation		(212,178)	(198,991)	(198,991)
Motor Vehicles - at cost		641,364	663,796	663,796
Motor Vehicles - accumulated depreciation		(260,061)	(180,231)	(180,231)
Canteens at Cost		619,294	619,294	619,294
Canteens - Accumulated Depreciation		(339,527)	(277,598)	(277,598)
The Herrons property - at cost		635,004	635,004	635,004
Karratha property – at Committee of Management valuation – 31 December 2012		760,000	760,000	760,000
Birchley Heights property - at cost		1,079,942	1,079,942	1,079,942
<b>TOTAL NON CURRENT ASSETS</b>		<u>5,606,630</u>	<u>3,874,638</u>	<u>3,874,638</u>
<b>TOTAL ASSETS</b>		<u>20,447,373</u>	<u>22,082,284</u>	<u>21,894,558</u>
<b>CURRENT LIABILITIES</b>				
Trade Creditors		186,360	20,182	20,182
Sundry Creditors		94,542	386,477	386,477
GST clearing Account		77,311	217,540	217,540
Income Received in Advance		3,102,322	3,295,835	-
Payables to employers for the employers making payroll deductions of membership subscriptions		-	-	-
Provision for Holiday Pay	4	630,512	600,408	600,408
Provision for legal/settlement costs – litigation		950,000	1,500,000	1,500,000
Provision for Legal/Settlement Costs – other legal matters		-	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>5,041,047</u>	<u>6,020,442</u>	<u>2,724,607</u>
<b>NON CURRENT LIABILITIES</b>				
Provision for Long Service Leave	4	532,137	503,158	503,158
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>532,137</u>	<u>503,158</u>	<u>503,158</u>
<b>TOTAL LIABILITIES</b>		<u>5,573,184</u>	<u>6,523,600</u>	<u>3,227,765</u>
<b>NET ASSETS</b>		<u>14,874,189</u>	<u>15,558,684</u>	<u>18,666,793</u>

To be read in conjunction with the attached notes

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
<b>REVENUE</b>			
Subscriptions		6,278,859	7,187,635
Training Levy		926,229	1,513,138
Building Fund Income		40,545	33,000
Revaluation / (Devaluation) of Managed investments		47,677	10,029
Joining Fees		-	2,988
Other Receipts - Sundry Income		476,291	652,817
Interest Received		520,386	650,219
Rent Received		92,896	37,812
Canteen Income		141,346	450,628
Canteen Income – Recognition of Assets		-	341,696
Merchandise Sales		199,563	91,202
Reimbursement of Travel Expenditure		45,199	-
Political and Donations		-	17,249
Gain / (loss) on Sale of Assets		(5,848)	(14,145)
		8,763,143	10,974,268
<b>EXPENDITURE</b>			
Administration fees		52,000	66,061
Advertising		41,966	70,129
Affiliation Fees			
- Unions WA		76,294	73,361
- Australian Labour Party		75,114	57,802
Auditor's Remuneration –audit of the financial statements		33,000	32,000
Auditors Remuneration – other services##		38,173	62,860
Bank Charges		48,616	56,142
Campaign Costs		226,909	483,521
Canteen Expenditure		-	17,666
Computer Requirements		49,494	32,435
CSTC Training Top Up		185,101	251,688
Depreciation		180,694	140,267
Donations			
- Less than \$1,000		2,709	14,080
- \$1,000 and more		119,500	63,171
Fees/allowances paid to persons to attend conferences or meetings as a representative of the Branch		-	3,526
Fees incurred as consideration for employers making payroll deductions of member subscriptions		-	-
Grants – less than \$1,000		-	-
Grants - \$1,000 or more		-	-
Merchandise Purchases		50,229	130,560
Finance Costs		-	-
Freight		14,145	7,215
Funeral Benefits		460	610
Fringe Benefits Tax		83,880	14,764
Insurance		131,307	134,569
Insurance-Member Benefit		877,200	-
Legal and Settlement Costs			
- Litigation / Settlements		900,639	2,393,434
- Other		-	-
Meeting Expenses – meetings of members, conferences, councils, committees, etc		11,031	-
Meeting expenses – other		87,294	54,875
Motor Vehicle Expenses & Service charges		123,030	165,230

Continued on following page

To be read in conjunction with the attached notes

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
<b>EXPENDITURE (continued)</b>			
Other Expenses		500	9,932
Payroll Tax		309,058	326,150
Parking		23,338	11,896
Penalties imposed under the RO Act		-	-
Printing, Postage & Stationery		212,140	188,174
Photocopying & Office Expenses		60,020	51,009
Provision for Employee Entitlements		59,082	(14,969)
Rent, Rates and Electricity		155,392	172,486
Repairs & Maintenance		39,333	37,879
Sponsorship		6,135	-
Staff Amenities		8,646	19,516
Subscriptions		20,672	26,449
Superannuation and Redundancy Contributions	5	572,076	632,003
Sustentation / Capitation Fees (Federal)		606,981	686,616
Staff Reimbursements		24,375	110,980
Telephone		108,718	106,980
Training		-	7,545
Travel and Accommodation		271,356	262,100
Wages – Office holders	5	745,683	732,851
Wages - Other employees	5	2,815,348	2,995,888
		<u>9,447,638</u>	<u>10,689,451</u>
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>		<b>(684,495)</b>	<b>284,817</b>
<b>Other comprehensive income for the year</b>		<u>-</u>	<u>-</u>
Surplus attributable to the Union		<u>(684,495)</u>	<u>284,817</u>
Total Comprehensive income attributable to the Union		<u>(684,495)</u>	<u>284,817</u>

Note: During the reporting period no capitation fees were received from another reporting unit, no compulsory levies were raised from members and no financial support was received from another reporting unit (other than to the extent disclosed in note 10 of the full financial report).

During the reporting period no compulsory levies were imposed on the reporting unit.

## Auditors Remuneration – other services comprises accounting assistance \$21,919 (2013:\$15,160), taxation advice \$12,254 (2013:\$2,700), due diligence services \$4,000 (2013: \$nil) and corporate governance advisory project \$nil (2013:\$45,000).



**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**STATEMENT OF CHANGES IN EQUITY (RESTATED)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	General Funds \$	Hardship Fund \$	Reserves \$	Total \$
<b>Balance at 31 December 2012</b>	<b>17,773,209</b>	<b>608,767</b>	-	<b>18,381,976</b>
Total Comprehensive income for the period ended 31 December 2013	284,817	-	-	284,817
Adjustment to Retained Earnings for Change in Accounting Policy	(3,108,109)	-	-	(3,108,109)
<b>Balance at 31 December 2013 (Restated)</b>	<b>14,949,917</b>	<b>608,767</b>	-	<b>15,558,684</b>
Total Comprehensive income for the period ended 31 December 2014	(684,495)	-	-	(684,495)
Adjustment to Retained Earnings for Change in Accounting Policy	-	-	-	-
<b>Balance at 31 December 2014</b>	<b>14,265,422</b>	<b>608,767</b>	-	<b>14,874,189</b>

**STATEMENT OF CHANGES IN EQUITY (PRIOR TO CHANGE IN ACCOUNTING POLICY)  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	General Funds \$	Hardship Fund \$	Reserves \$	Total \$
<b>Balance at 31 December 2012</b>	<b>17,773,209</b>	<b>608,767</b>	-	<b>18,381,976</b>
Total Comprehensive income for the period ended 31 December 2013	284,817	-	-	284,817
Transfer of Funds	-	-	-	-
<b>Balance at 31 December 2013</b>	<b>18,058,026</b>	<b>608,767</b>	-	<b>18,666,793</b>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 \$	2013 \$
<b>Cashflows from Operating Activities</b>			
Receipts from members		8,328,286	8,972,477
Other receipts		-	1,285,696
Payments to suppliers and employees		(10,217,360)	(9,090,353)
Interest received		520,386	650,219
<b>Net Cash Provided by (used in) Operating Activities</b>	8	<u>(1,368,688)</u>	<u>1,818,039</u>
<b>Cashflows From Investing Activities</b>			
Payments for Property, Plant & Equipment		(54,760)	(593,122)
Proceeds from Sale of Property, Plant & Equipment		-	50,400
<b>Net Cash Provided by (used in) Investing Activities</b>		<u>(54,760)</u>	<u>(542,722)</u>
<b>Cashflows From Financing Activities</b>			
Receipts from Related Entities		-	-
Decrease in Loans Payable		-	-
Increase in Loans Receivable		(1,863,774)	(346,199)
<b>Net Cash Provided by (used in) Financing Activities</b>		<u>(1,863,774)</u>	<u>(346,199)</u>
Net Increase (Decrease) in Cash Held		(3,287,222)	929,118
Cash at 1 January 2013		17,046,958	16,117,840
Cash at 31 December 2014		<u>13,759,736</u>	<u>17,046,958</u>

Receipts from and payments to other reporting units and related entities are set out in Note 11.

NOTES TO AND FORMING PART OF THE ACCOUNTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other pronouncements of the Australian Accounting Standards Board and the reporting guidelines made under section 255 of the Fair Work (Registered Organisations) Act 2009. The Branch is a not-for-profit entity for financial reporting purposes.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on the 25<sup>th</sup> day of September, 2015 by the members of the committee.

(a) MEMBERSHIP SUBSCRIPTIONS AND LEVY INCOME

Membership subscriptions are accounted for on an accruals basis, which is a change from the cash receipts basis adopted in prior years. The impact of the change in accounting methodology was a one-off adjustment to members' funds as at 31 December 2013 of \$3,108,109 (ie, a reduction in members' funds). Restatement prior to 31 December 2013 is considered impracticable.

Training levy income is accounted for on a cash receipts basis which, on an annual basis, would not materially differ from that calculated on an accruals basis.

(b) PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment loss.

Plant and equipment, motor vehicles and furniture and fittings acquired are brought to account at cost.

Property, comprising land and buildings, is carried at fair value which is based on either independent valuations or third party appraisals. Revaluation increments are credited to an Asset Revaluation Reserve. Properties are revalued regularly so as to ensure they are always reflected at fair value.

The carrying amount of property, plant and equipment is reviewed annually by board members to ensure it is not in excess of the recoverable amount from these assets. 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.

Depreciation

The Depreciable amount of all fixed assets is depreciated on the diminishing value over their useful lives to the Union commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Furniture & Fittings	7.5 - 37.5%pa
Motor Vehicles	22.5%pa
Property	Nil pa

NOTES TO AND FORMING PART OF THE ACCOUNTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) FAIR VALUE OF ASSETS AND LIABILITIES

The Union measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Union would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(d) IMPAIRMENT OF ASSETS

At each reporting date, the Union reviews the carrying values of its tangible 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 statement of comprehensive income

(e) INCOME TAX

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under section 50-15 of the Income Tax Assessment Act (1997).

(f) FINANCIAL INSTRUMENTS

*Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

NOTES TO AND FORMING PART OF THE ACCOUNTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) FINANCIAL INSTRUMENTS (continued)

*Financial assets at fair value through profit and loss*

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the statement of comprehensive income in the period which they arise.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

*Available-for-sale financial assets*

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

*Fair value*

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

*Impairment*

At each reporting date, the Union assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income

(g) EMPLOYEE BENEFITS

Provision is made for the Union's liability for employee benefits arising from services rendered by employees at balance date.

Liability for Annual Leave benefits are expected to be settled within 12 months and are therefore considered current liabilities. Liability for Long Service Leave benefits are not expected to be settled within 12 months and are therefore considered non-current liabilities, notwithstanding that any immaterial amounts may be settled within the next 12 months.

Provisions for employee benefits are brought to account at the amounts expected to be paid when the liability is settled, plus related on-costs. Provisions for redundancy fund are accrued at its current value. Any movement in the redundancy provision is expensed through the superannuation account.

Superannuation contributions made by the Union are expensed when due, except in the case for the redundancy fund mentioned above.

(h) GOODS & SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST except;

- Where GST incurred on purchases is not recoverable from the ATO, GST is recognised as part of the cost of the purchase.

Receivables and payables are stated with the amount of GST included.

NOTES TO AND FORMING PART OF THE ACCOUNTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) MANAGED INVESTMENTS

Managed Investments comprise of a diversified portfolio of tradeable equities, managed funds and cash, managed by an independent fund manager. Managed Investments are classified as "financial assets at fair value through profit and loss" and are recorded at net market value, with any changes in net market value brought to account in the Statement of Comprehensive Income in the periods in which they occur.

(j) NEW AND AMENDED ACCOUNTING POLICIES ADOPTED BY THE UNION

Where applicable, the Union has adopted the following Australian Accounting Standards, together with the relevant consequential amendments arising from related Amending Standards, from the mandatory application date of 1 January 2014:

- AASB 10: *Consolidated Financial Statements*;
- AASB 12: *Disclosure of Interests in Other Entities*; and
- AASB 127: *Separate Financial Statements*.

AASB 10 provides a revised definition of "control" and may result in an entity having to consolidate an investee that was not previously consolidated and/or deconsolidate an investee that was consolidated under the previous accounting pronouncements.

The Union does not hold an interest in any entity which would be deemed to be its subsidiary, nor is it a part of any joint arrangement. Therefore, there are no requirements to prepare consolidated financial statements under AASB 10 or to adopt the equity method of accounting under AASB 11. The Union is also not required to provide enhanced disclosures under AASB 12. To facilitate the application of AASBs 10 and 12, revised versions of AASB 127 and AASB 128 were also issued. There is no impact on the Union's financial statements as a result of the adoption of AASB 127 and AASB 128.

**Other Standards adopted by the association**

*AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities*

This Standard provides clarifying guidance relating to the offsetting of financial instruments and does not impact the association's financial statements.

*AASB 2013-4: Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting*

AASB 2013-4 makes amendments to AASB 139: *Financial Instruments: Recognition and Measurement* to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations.

This Standard is not expected to significantly impact the Union's financial statements.

(k) NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Union, together with an assessment of the potential impact of such pronouncements on the Union when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* (December 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

NOTES TO AND FORMING PART OF THE ACCOUNTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS (continued)

These Standards will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the association on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the entity elect to change its hedge accounting policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although members of the committee anticipate that the adoption of AASB 9 may have an impact on the association's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

– AASB 14: *Regulatory Deferral Accounts*

This Standard is effective for financial years beginning on or after 1 January 2016 and is solely applicable only to an entity that conducts rate-regulated activities. Since the Union does not conduct any activity that is rate-regulated, there is not expected to be any significant impact on adoption of this Standard.

– AASB 2014-1: *Amendments to Australian Accounting Standards*

Part A of this Standard is applicable for financial years beginning on or after 1 July 2014. This part makes editorial corrections to various AASB Standards and is not expected to have a significant impact on the Union's financial statements.

Part B of this Standard is applicable for financial years beginning on or after 1 July 2014. These amendments permit an entity to recognise the amount of contributions from an employee or third party into a defined benefit plan as a reduction in service cost for the period in which the related service is rendered, if the amount of contributions is independent of the number of years of service. This Standard is not expected to have a significant impact on the Union's financial statements.

Part C of this Standard is applicable for financial years beginning on or after 1 July 2014 and deletes the reference to AASB 1031: *Materiality* in particular AASB Standards. This Standard is not expected to have a significant impact on the Union's financial statements.

Part D of this Standard, applicable for financial years beginning on or after 1 January 2016, makes amendments to AASB 1: *First-time Adoption of Australian Accounting Standards*, which arise from the issuance of AASB 14: *Regulatory Deferral Accounts* in June 2014. AASB 14 permits first-time adopters to continue to account for amounts related to rate regulation in accordance with their previous GAAP when they adopt Australian Accounting Standards. Part D is not expected to have a significant impact on the Union's financial statements.

Part E of this Standard, which is applicable for financial years beginning on or after 1 January 2015 inter-alia, defers the application date of AASB 9: *Financial Instruments* (December 2010) to annual reporting periods beginning on or after 1 January 2018. This part also makes consequential amendments to hedge accounting disclosures set out in AASB 7: *Financial Instruments: Disclosures* and to AASB 132: *Financial Instruments: Presentation* to permit irrevocable designation of "own use contracts" as measured at fair value through profit or loss if the designation eliminates or significantly reduces an accounting mismatch. It is difficult at this stage to provide a reasonable estimate of the impact, if any, on adoption of this part of the Standard.

NOTES TO AND FORMING PART OF THE ACCOUNTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS (continued)

*AASB 2014-3: Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations*

This Standard is applicable to annual reporting periods beginning on or after 1 January 2016. It amends AASB 11: *Joint Arrangements* to require the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3: *Business Combinations*, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11. It also requires the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. Adoption of this Standard is not expected to have a significant impact on the Union's financial statements.

*AASB 2014-4: Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*

This Standard applies to annual reporting periods beginning on or after 1 January 2016 and is only meant to clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and hence not allowable. This Standard is not expected to have a significant impact on the Union's financial statements.

**CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The Union evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the union.

*Key estimates – Impairment*

The Union assesses impairment at each reporting date by evaluating conditions specific to the Union that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

*Key estimates – Provision for Legal and Settlement Costs*

At each reporting date the union assesses the amount which should be provided for in relation to legal and settlement costs. The amount determined is based on management's assessment of the likely outcome of actions in progress at year end taking into account the advice from legal counsel.

Actual legal and settlement costs could be lower or higher than the amount provided for at 31 December 2014 depending on the ultimate outcome of actions in progress at year end.

**REGISTRATION STATUS**

The Construction Forestry Mining and Energy Union Construction and General Division – WA Branch is a federally registered divisional branch of the Construction Forestry Mining and Energy Union.



**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**2 LOANS RECEIVABLE**

The loans receivable from the Construction Forestry Mining and Energy Union of Workers (CFMEUW) and the Construction Skills Training Centre (CSTC) are unsecured, interest free and at call.

**3. PROPERTY, PLANT & EQUIPMENT**

**Movement in carrying amounts**

Movements in carrying amounts for each class of property, plant & equipment between the beginning and the end of the current financial year (for those classes that moved);

	Canteens	Furniture & fittings	Motor vehicles	Total
	\$	\$	\$	\$
Balance at the beginning of year	341,696	38,680	483,565	863,941
Additions	-	45,596	34,620	80,216
Disposals	-	-	(31,304)	(31,304)
Depreciation & amortisation expense	(61,929)	(13,187)	(105,578)	(180,694)
Revaluation	-	-	-	-
Carrying amount at the end of year	<u>279,767</u>	<u>71,089</u>	<u>381,303</u>	<u>732,159</u>

**4 EMPLOYEE PROVISIONS**

	2014	2013
	\$	\$
Office Holders;		
Annual leave	410,664	368,169
Long service leave	323,059	244,567
Separation and redundancies	-	-
Other	-	-
	<u>733,723</u>	<u>612,736</u>
Employees other than Office Holders;		
Annual leave	219,848	232,239
Long service leave	209,078	258,591
Separation and redundancies	-	-
Other	-	-
	<u>428,926</u>	<u>490,830</u>
Total employee provisions	<u>1,162,649</u>	<u>1,103,566</u>
Current	630,512	600,408
Non-current	532,137	503,158
Total employee provisions	<u>1,162,649</u>	<u>1,103,566</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**5 EMPLOYEE BENEFITS**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Employee benefits paid to Office holders during the year comprised of:		
Wages and Salaries	695,549	672,284
Annual leave/long service leave	50,134	60,567
Non-monetary benefits	13,869	44,351
Superannuation	119,786	116,833
Separation and Redundancy	9,048	9,222
	<b>888,386</b>	<b>903,257</b>

Employee benefits paid to other employees during the year comprised:

Wages and Salaries	2,564,573	2,694,869
Annual leave/long service leave	250,775	301,019
Non-monetary benefits	39,642	155,171
Superannuation	386,083	432,346
Separation and Redundancy	57,159	73,602
	<b>3,298,232</b>	<b>3,657,007</b>

Office holders comprise key management personnel having authority and responsibility for planning, directing and controlling the activities of the Union, and include members of the management committee.

**6 KEY MANAGEMENT PERSONNEL REMUNERATION**

Key Management Personnel comprise the members of the Management Committee as set out on page 1 (the Operating Report).

**Short term employee benefits**

Salary (inc annual leave taken)	745,683	732,851
Annual Leave accrued	42,495	32,111
Performance bonus	-	-
Non monetary benefits	13,869	44,351
Total short term employee benefits	<b>802,047</b>	<b>809,313</b>

**Post employment benefits**

Superannuation	137,882	126,055
Total post employment benefits	<b>137,882</b>	<b>126,055</b>

**Other Long Term Benefits**

Long Service Leave accrued	78,492	62,565
Termination benefits	-	-
Total	<b>1,018,421</b>	<b>997,933</b>

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**7 INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of Section 272, subsections (1), (2) and (3) of the Fair Work (Registered Organisations) Act 2009, 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. The application must be in writing and must specify the period within which, and the manner within 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.

A reporting unit must comply with an application made under subsection (1).

**8 CASHFLOW INFORMATION**

Reconciliation of Cashflow from Operations with Operating Surplus is as follows;

	<b>2014</b>	<b>2013</b>
	\$	\$
<b>Operating Surplus</b>	(684,495)	284,817
Non cash flows in operating surplus		
Depreciation	180,694	140,267
Revaluation of Managed Investments	(47,677)	(10,029)
Changes in Assets and Liabilities:		
(Increase)/decrease in receivables	127,358	271,704
Increase/(decrease) in payables and Unearned Income	(459,499)	(26,200)
Increase/(decrease) in provisions	(490,917)	1,485,031
(Profit)/Loss on sale of investments/assets	5,848	14,145
Recognition of Previously Unrecorded Assets	-	(341,696)
<b>Cash Flows from/(to) Operations</b>	(1,368,688)	1,818,039

**9 FINANCIAL RISK MANAGEMENT**

The Union undertakes transactions in a range of financial instruments. The material financial instruments are:

- Cash assets
- Managed investments (a diversified portfolio of tradeable listed investments, managed funds and cash management trusts)
- Sundry debtors and loans receivable
- Trade and sundry creditors
- Other financial liabilities

The union does not have any derivative instruments as at 31 December 2014 and does not speculate in any types of financial instruments.

The activities of the Union expose it primarily to the financial risks, associated with its financial instruments, of market risk, credit risk and interest rate risk. The Committee of Management are responsible for the monitoring and managing the financial risks of the Union. They monitor these risks through monthly board meetings where management accounts are presented and analysed. Any changes or issues identified are communicated to the administration team who implement changes. Management of the different types of financial risks are explained below;

NOTES TO AND FORMING PART OF THE ACCOUNTS

9 FINANCIAL RISK MANAGEMENT (continued)

**a) Market Risk**

The only material market risk we are exposed to is the risk that the fair value or future cash flows of our managed investments will fluctuate because of changes in market prices. We manage these risks by having a diversified portfolio of tradeable equities, managed funds and cash, managed by an independent funds manager. The investment value and returns are regularly reported to and monitored by the Committee of Management who makes changes as required.

**Sensitivity Analysis**

If market prices of our tradeable securities were 10% higher or lower the impact on our operating surplus would be to increase/decrease the surplus by approximately \$30,000 (as a substantial proportion of the managed investments are currently held in cash). A sensitivity of 10% has been selected as this is considered reasonable given the diversified portfolio.

**b) Credit Risk**

Credit risk is the risk that a contracting entity will not complete its obligations to repay us and thus will cause us to make a financial loss.

The largest material credit risk we are exposed to relates to cash assets, which comprises cash at banks and managed investments. We manage these risks by limiting the amount of funds invested with any financial institution and by evaluation of the financial institutions selected.

The Union also has exposure to credit risk through its sundry debtors and loans receivable. Most receivables are from a related union (the CFMEUW). Whilst there is a concentration of credit risk it has been assessed that the CFMEUW can comfortably meet its obligations.

**c) Liquidity Risk**

Liquidity risk is the risk that the Union will not be able to meet its financial obligations as they fall due, the Union manages liquidity risk by maintaining adequate cash reserves and by monitoring forecast cash flows, which reflect managements' expectations of the settlement of financial assets and liabilities.

All financial assets and liabilities mature within a period of less than 12 months.

**d) Fair Value Financial Instruments**

The carrying amounts of financial assets and liabilities approximate their fair values.

**e) Interest Rate Risk**

The Unions' exposure to interest rate risk, which is the risk that a financial instruments' value will fluctuate as a result of the changes in market interest rates, is limited only to its cash holdings with a number of banks.

To demonstrate the Unions' sensitivity to changes in interest rates a movement in rate of plus or minus 1% at the reporting date would have increased / decreased net profit by approximately \$140,000. For further details on interest rate risk refer to the table below.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**9 FINANCIAL RISK MANAGEMENT (continued)**

**e) Interest Rate Risk**

*The following table summarises interest rate risk for the Company together with effective interest rates as at balance date:*

	Floating Interest Rate	Fixed rate maturing:		Non - Interest Bearing	TOTAL	Interest Rates:	
		1 year or less	Over 1 year			Fixed	Floating
<b>2014</b>							
<b>Financial Assets</b>							
Cash Assets	1,101,549	12,656,086		2,100	13,759,636	3.34%	2.86%
Managed Investments				844,697	844,697		
Sundry Debtors				236,310	236,310		
Related Entity Loans				2,558,532	2,558,532		
<b>Total Financial Assets</b>	<b>1,101,549</b>	<b>12,656,086</b>		<b>3,641,639</b>	<b>17,399,275</b>		
<b>2013</b>	<b>3,364,980</b>	<b>13,679,878</b>		<b>1,669,820</b>	<b>18,714,678</b>	<b>3.54%</b>	<b>2.69%</b>
<b>2014</b>							
<b>Financial Liabilities</b>							
Trade payables	-	-	-	186,360	186,360		
Other payables	-	-	-	330,860	330,860	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>517,220</b>	<b>517,220</b>	<b>-</b>	<b>-</b>
<b>2013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>624,199</b>	<b>624,199</b>	<b>-</b>	<b>-</b>

*Floating interest rates represent the most recently determined rate applicable to the instrument at balance date.*

**10 CONTINGENT LIABILITIES**

The Union and specified officials are subject to regulatory actions and are being sued for specified and unspecified damages in a number of separate actions arising from industrial disputes. The Committee of Management are of the opinion that the actions can be successfully defended by the Union and are currently involved in litigation challenging the actions.

Given the complex and protracted nature of these actions and advice from legal counsel, it is not practicable to reliably estimate fully the potential financial impact, if any, of these actions at this time, although any potential financial impact (in addition to that already provided for in the financial statements as at 31 December 2014) is not expected to be significant.

The information usually required by AASB 137 Provisions, Contingent Liabilities and Contingent Assets, is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the litigation.

In addition to the above, the Union has a contingent liability of \$1 million which arises from a settlement deed executed during the year ended 31 December 2012. Pursuant to the deed, the liability will become due and payable if prohibited industrial action (as defined in the deed) occurs on or before 11 February 2018.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**10 CONTINGENT LIABILITIES (continued)**

In addition, the Union has a Contingent Liability of \$400,000 which arises from a settlement deed executed during the year ended 31 December 2014. Pursuant to the deed the liability will become due and payable if prohibited findings are handed down by the Federal Court of Australia or any other court of competent jurisdiction on or before 31 December 2016.

**11 RELATED PARTY DISCLOSURES**

There are no related party transactions other than remuneration of office holders, as disclosed in Notes 5 and 6 and the following transactions and balances listed below:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Funds paid to CFMEU Construction & General National Office during the year		
- Capitation fees	606,981	686,616
- National campaign levies	113,455	-
- Donations	-	-
- Royal Commission contribution	58,804	-
- Other payments	10,332	7,917
Amounts payable to CFMEU Construction & General National Office		
- Balance payable at year end	123,685	-
- Funds received from CFMEU Construction & General National Office		
- Airfares	45,199	60,279
Amounts receivable from CFMEU Construction & General National Office		
- Balance receivable at year end	7,736	-
Amounts paid to CFMEU Construction & General Victoria Branch		
- Miscellaneous payments	3,418	-
Amounts paid to CFMEU Construction & General Queensland Branch		
- Miscellaneous payments	13,490	2,431
Amounts paid to CFMEU Construction & General Australian Capital Territory Branch		
- Miscellaneous payments	14,888	-
Amounts receivable from Construction Forestry Mining and Energy Union of Workers (CFMEUW)		
- Balance receivable at year end	2,558,532	694,758

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**

<b>11 RELATED PARTY DISCLOSURES (continued)</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Amounts payable to Construction Skills Training Centre (CSTC)		
- Balance payable at year end	159,007	159,007
Transactions with Construction Skills Training Centre (CSTC)		
- Administration fees paid to CSTC during the year	52,000	66,061
- Administration fees received from CSTC during the year	122,473	105,472
- Transfer of training levies to CSTC	185,101	251,688
- Payroll tax recovered from CSTC	88,885	95,677
Funds paid to CFMEU National Branch during the year		
- National campaign levies	-	481,818

**12 EVENTS SUBSEQUENT TO BALANCE DATE**

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

**13 CAPITAL EXPENDITURE COMMITMENTS**

There are no capital expenditure commitments for 2013 or 2014

**14 FAIR VALUE MEASUREMENTS**

The Union measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- available-for-sale financial assets; and
- freehold land and buildings.

The Union does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

**Fair Value Hierarchy**

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**14 FAIR VALUE MEASUREMENTS (continued)**

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

**Valuation Techniques**

The Union selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Union are consistent with one or more of the following valuation approaches:

- *Market approach:* valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach:* valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach:* valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Union gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Union’s assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	<b>31 December 2014</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Recurring fair value measurements</b>				
<i>Financial assets</i>				
Available-for-sale financial assets:				
Shares in listed companies/trusts	292,969	-	-	292,969
<b>Total financial assets recognised at fair value</b>	<b>292,969</b>	<b>-</b>	<b>-</b>	<b>292,969</b>
<i>Non-financial assets</i>				
Land and Buildings	-	2,474,946	-	2,474,946
<b>Total non-financial assets recognised at fair value</b>	<b>-</b>	<b>2,474,946</b>	<b>-</b>	<b>2,474,946</b>



**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**14 FAIR VALUE MEASUREMENTS (continued)**

	31 December 2013			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Recurring fair value measurements</b>				
<i>Financial assets</i>				
Available-for-sale financial assets:				
Shares in listed companies/trusts	450,119	-	-	450,119
<b>Total financial assets recognised at fair value</b>	450,119	-	-	450,119
<i>Non-financial assets</i>				
Land and buildings	-	2,474,946	-	2,474,946
<b>Total non-financial assets recognised at fair value</b>	-	2,474,946	-	2,474,946

**Valuation Techniques and Inputs Used to Measure Level 2 Fair Values**

Description	Fair Value at 31 December 2014 \$	Valuation Technique(s)	Inputs Used
<i>Non-financial assets</i>			
Land and buildings (i)	2,474,946	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per hectare; market borrowing rate
	2,474,946		

- (i) The fair value of land and buildings is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period the executives review the independent valuations and when appropriate update the fair value measurement to reflect current market conditions using the valuation techniques noted above.

There were no changes during the period in the valuation techniques used to determine Level 2 fair values.

**15 OTHER MATTERS**

None of the activities set out in items 10, 11 and 12 of the Reporting Guidelines occurred during the year ended 31 December 2014.

The Branch has not agreed to provide financial support to any other reporting unit or entity nor has the Branch received financial support from another reporting unit or entity.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
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**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY  
CASH BASIS FOR YEAR ENDED 31 DECEMBER 2014**

	2014 \$	2013 \$
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc	2,200	-
Interest received on recovered money	53	-
<b>Total receipts</b>	2,253	-
<b>Payments</b>		
Deductions of amounts due in respect of membership for:		
- 12 months or less	-	-
- greater than 12 months	-	-
Deductions of donations or other contributions to accounts Or funds of:		
- Construction & Building Industry Super	-	-
- WA Construction Industry Redundancy Fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	2,253	-
<b>Total payments</b>	2,253	-
<b>Surplus / Deficit for the year</b>	-	-

**BALANCE SHEET AS AT 31 DECEMBER 2014**

<b>Assets</b>		
Cash at bank at beginning of period	60,023	60,023
Add Excess (deficiency) of Receipts over Payments	-	-
<b>Total Assets</b>	60,023	60,023
<b>Liabilities</b>		
Unclaimed Wages (in respect of 105 workers In 2013 and 105 workers in 2012)	60,023	60,023
<b>Total Liabilities</b>	60,023	60,023

**COMMITTEE OF MANAGEMENT STATEMENT**

The Committee of Management of Construction Forestry Mining and Energy Union Construction and General Division – WA Branch passed the following resolution at a Management Committee meeting held on 25 September 2015 in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2014:

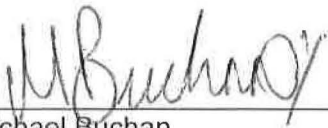
The Committee of Management declares in relation to the GPFR that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Commission
- 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 the GPFR relates and since the end of the 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 the Fair Work (Registered Organisations) Regulations 2009; and
  - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - (v) the information sought in any request of a member of the reporting unit or the General Manager of Fair Work Commission duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager; and
  - (vi) there has been compliance with any order for inspection of financial records made by Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.
- f) in relation to recovery of wages activity;
  - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager of Fair Work Commission; and
  - (ii) the committee of management caused the Auditor to include in the scope of the audit required under subsection 257(1) of the Fair Work (Registered Organisations) Act 2009 all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and

COMMITTEE OF MANAGEMENT STATEMENT (continued)

- (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
- (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy or fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

This declaration is true and I know that it is an offence to make a declaration knowing that it is false in a material particular - for and on behalf of the Committee of Management:



Michael Buchan  
Secretary

Dated this 29<sup>th</sup> day of September, 2015.

AUDITORS REPORT

TO THE MEMBERS OF CONSTRUCTION FORESTRY MINING  
AND ENERGY UNION THE CONSTRUCTION AND GENERAL  
DIVISION – WA BRANCH

Level 3, 12 St Georges Terrace,  
Perth, WA 6000

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**Report on the Financial Report**

We have audited the accounts of the Construction Forestry Mining and Energy Union Construction and General Division – WA Branch for the year ended 31 December 2014, 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 Summary of Significant Accounting Policies, the Recovery of Wages – Statement of Receipts and Payments and the Committee of Management Statement.

**Management Committees' Responsibility for the financial report**

The Management Committee 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 accounts that it 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.

**Auditors Responsibility**

We have conducted an independent audit of these accounts in order to express an opinion on them to the Members of the Branch.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the accounts 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 Branch 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.

**Independence**

In conducting our audit, we have followed applicable independence requirements of Australian professional pronouncements.

**Audit Opinion**

In our opinion:

- (i) there were kept by the organisation 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, Recovery of Wages – Statement of Receipts and Payments and statements on pages 3 to 24 have been prepared in accordance with applicable Accounting Standards, and are properly drawn up in accordance with the provisions of Section 255 of the Fair Work (Registered Organisations) Act 2009 in accordance with the rules of the organisation, and so as to give a true and fair view of,
  - a) the financial affairs of the organisation as at 31 December 2014, including properly and fairly reporting all information required by the reporting guidelines of the General Manager of FWA; and
  - b) the income and expenditure and surplus of the organisation for the year ended on that date.
- (iii) Management's use of the going concern basis of accounting in the preparation of the Branch's financial statements is appropriate.

AUDITORS REPORT (Continued)

*Moore Stephens*

MOORE STEPHENS

*Neil Pace*

NEIL PACE  
PARTNER  
REGISTERED COMPANY AUDITOR #182668  
AND APPROVED AUDITOR  
FCA AND HOLDER OF A CURRENT PUBLIC  
PRACTICE CERTIFICATE

Dated this 29<sup>th</sup> day of September, 2015 in  
Perth, Western Australia.

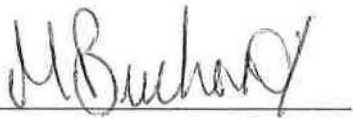
CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

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CERTIFICATE OF SECRETARY

I, Michael Buchan being the Secretary of the Construction Forestry Mining and Energy Union Construction and General Division – WA Branch certify:

- that the documentation lodged herewith are copies of the full report referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members on the 12<sup>th</sup> day of August 2015; and
- that the full report was presented to a general meeting of members again on 9<sup>th</sup> September 2015 and the meeting of the Management Committee on the 25<sup>th</sup> day of September 2015 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.



Michael Buchan  
Secretary

CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

Dated this 21<sup>st</sup> day of September 2015.

**Construction Forestry Mining and Energy Union  
Construction and General Division – WA Branch**

**Concise Financial Report for the  
Year ended 31 December 2014**



**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

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**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

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**BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT**

The concise financial report is an extract from the full financial report for the year ended 31 December 2014.

The concise financial report has been prepared in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports and the Corporations Act 2001. The Branch is a not-for-profit entity for financial reporting purposes. The accounting policies adopted have been consistently applied to all financial periods presented unless otherwise stated.

The presentation currency used in this concise financial report is Australian dollars.

The financial statements, specific disclosures, and other information included in the Concise Financial Report are derived from and are consistent with the full financial report of the Construction Forestry Mining and Energy Union Construction and General Division – WA Branch. The Concise Financial Report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of The Construction, Forestry, Mining and Energy Union Construction and General Division – WA Branch as the full financial report.

A copy of the full financial report and auditors report will be sent to any member, free of charge, upon request.

## CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

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### OPERATING REPORT

The Committee of Management present their operating report in respect of the year ended 31 December 2014 as follows:

#### Members of the Management Committee

The members of the Management Committee at any time during the year and the period which they held the position were:

Campbell McCullough, Ian Hawkins, Glenn Hawkins, Joseph McDonald, Graham Pallot, Leslie Wellington, Peter Ballard, Michael Buchan, Peter McGrahan, Walter Molina, Matt Waters and Robert Pearson.

Each of the above members held the position for the full year except for Peter Ballard who, after a career of dedication and service to members, retired from work and resigned from the Executive on 10 June 2014. A process is in place to replace him.

#### Review of Activities

The principal activity of the Branch during the course of the financial year was to act as the Western Australian representative of the federally registered Construction, Forestry, Mining, and Energy Union – Construction and General Division (CFMEU C&G). The primary role of the Branch is to act on behalf of and to further the interests of its members.

There were no significant changes in the nature of the Branch's activities during the year.

The Executive notes the challenges presented by the Federal Liberal Government's workplace laws, the activities of the FWBC and the Royal Commission as being an attempt to disrupt the core business of the Union.

The Royal Commission made no adverse findings against the Branch, but its officers and staff spent much time dealing with the issues.

Similarly, the efforts of the Federal Government to restrict the activities, although having some impact, have not been effective in preventing the Union from its principal business of serving and recruiting members.

There has been a downturn in employment generally and an impact on membership. However the Union is well placed to take advantage of a pick-up in construction activity.

The attached accounts show that the Union has during the year continued the good work previously done, and that despite the challenges of the industrial and economic landscape the Union continues to be in a very strong financial position.

The Union will continue with its drive to secure proper wages and conditions for its members and to ensure that they return safely after doing their days work. During the year, after extensive consultation with members, the Union undertook a round of new EBAs containing significant structural adjustments. Those adjustments, whilst involving a loss of take home pay for some, should ensure ongoing employment for the membership and an opportunity for employers who value the skills of their workers to obtain new contracts, rather than have work only obtained on a "lowest price" basis.

The Union continues to be challenged by attempts to weaken it both by employers who refuse to pay proper wages and by Governments who want to prevent workers from having access to their Union.

As this Union has done in the past it will continue to meet these challenges in a coordinated and strategic way and will use its resources to achieve goals on behalf of its members.

The results of the activities for the year are summarised as follows:

- Total revenue was \$8,763,143 which represents a decrease of \$2,211,125 (20.2%) from the prior year. This reflects a decrease in the number of members during the year, combined with a reduction in income generated from the Training Levy, Sundry Income, Interest Received, Canteen Income

## CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

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and the one-off recognition of assets income brought to account last year. The reduction in revenue reflects the current decline in the economic and industry conditions over the last 12 months.

- The deficit for the year was \$684,495 compared with a surplus of \$284,817 in 2013. The fall in revenue along with the significant increase in Insurance-Member Benefit expense, partially offset by a significant decrease in legal and settlement costs, resulted in the deficit for the year.
- Full details of revenue and expenditure are set out on page 4 and 5.

### Significant Changes in Financial Affairs

Significant changes in the state of affairs of the Branch during the year were:

- Total assets decreased to \$20,447,373 as at 31 December 2014 (2013 Restated: \$22,082,284) with the decrease arising largely from a reduction in cash balances.
- Total liabilities decreased to \$5,573,184 as at 31 December 2014 (2013 Restated: \$6,523,600) with the decrease largely due to a reduction in the provision for legal and settlement costs and a reduction in income received in advance.
- Net Assets decreased to \$14,874,189 as at 31 December 2014 (2013 Restated: \$15,558,684).

Effective from the beginning of the year (31 December 2013) the Branch changed the method in which it accounted for membership subscriptions after discussion with Fair Work Commission and to ensure consistency with the method adopted by all branches around Australia. The Branch changed from the cash basis to the accrual basis of accounting. The effect of this change was to reduce member funds at 31 December 2013 by \$3,108,109.

There were no other significant changes in the Branch's affairs during the financial period.

### The Right of Members to Resign

A member may resign from the membership of the Union by a written notice addressed and delivered to the Divisional Branch Secretary or other officer of the Divisional Branch authorised to receive such correspondence.

### Membership Information

The number of members of the Branch as at 31 December 2014 recorded in the register of members and taken to be members of the Branch were 8,454.

### Employee Information

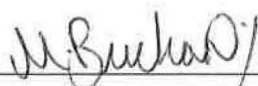
The number of full time equivalent employees of the Branch as at 31 December 2014 was 26.

### Trustee of a Superannuation Entity

No officer or member is a trustee of a superannuation entity or an exempt public sector superannuation scheme or a director of a company that is a trustee of such an entity or scheme, where the criterion for the officer or member holding such a position is being an officer or member of a registered organisation.

Signed on behalf of the Committee of Management

Dated this 29<sup>th</sup> day of September, 2015.



Michael Buchan  
Secretary

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014**

	Note	2014 \$	Restated 2013 \$	2013 \$
<b>MEMBERS FUNDS</b>				
Balance at Beginning of Year		15,558,684	18,381,976	18,381,976
Adjustment to Retained Earnings for Change in Accounting Policy		-	(3,108,109)	-
Surplus / (Deficiency)		(684,495)	284,817	284,817
		<u>14,874,189</u>	<u>15,558,684</u>	<u>18,666,793</u>
<b>REPRESENTED BY:</b>				
<b>CURRENT ASSETS</b>				
Cash on Hand		2,100	2,100	2,100
Cash in Financial Institutions		13,757,636	17,044,858	17,044,858
Sundry Debtors		236,310	363,668	175,942
Managed Investments – at market value		844,697	797,020	797,020
<b>TOTAL CURRENT ASSETS</b>		<u>14,840,743</u>	<u>18,207,646</u>	<u>18,019,920</u>
<b>NON-CURRENT ASSETS</b>				
Loans Receivable – CFMEUW		2,558,532	694,758	694,758
Loans Receivable/(Payable) – CSTC		(159,007)	(159,007)	(159,007)
Furniture & Fittings - at cost		283,267	237,671	237,671
Furniture & Fittings - accumulated depreciation		(212,178)	(198,991)	(198,991)
Motor Vehicles - at cost		641,364	663,796	663,796
Motor Vehicles - accumulated depreciation		(260,061)	(180,231)	(180,231)
Canteens at Cost		619,294	619,294	619,294
Canteens - Accumulated Depreciation		(339,527)	(277,598)	(277,598)
The Herrons property - at cost		635,004	635,004	635,004
Karratha property – at Committee of Management valuation – 31 December 2012		760,000	760,000	760,000
Birchley Heights property - at cost		1,079,942	1,079,942	1,079,942
<b>TOTAL NON CURRENT ASSETS</b>		<u>5,606,630</u>	<u>3,874,638</u>	<u>3,874,638</u>
<b>TOTAL ASSETS</b>		<u>20,447,373</u>	<u>22,082,284</u>	<u>21,894,558</u>
<b>CURRENT LIABILITIES</b>				
Trade Creditors		186,360	20,182	20,182
Sundry Creditors		94,542	386,477	386,477
GST clearing Account		77,311	217,540	217,540
Income Received in Advance		3,102,322	3,295,835	-
Payables to employers for the employers making payroll deductions of membership subscriptions		-	-	-
Provision for Holiday Pay		630,512	600,408	600,408
Provision for Legal/Settlement costs – litigation		950,000	950,000	950,000
Provision for Legal/Settlement Costs –other legal matters		-	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>5,041,047</u>	<u>6,020,442</u>	<u>2,724,607</u>
<b>NON CURRENT LIABILITIES</b>				
Provision for Long Service Leave		532,137	503,158	503,158
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>532,137</u>	<u>503,158</u>	<u>503,158</u>
<b>TOTAL LIABILITIES</b>		<u>5,573,184</u>	<u>6,523,600</u>	<u>3,227,765</u>
<b>NET ASSETS</b>		<u>14,874,189</u>	<u>15,558,684</u>	<u>18,666,793</u>

To be read in conjunction with the attached notes

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
<b>REVENUE</b>			
Subscriptions		6,278,859	7,187,635
Training Levy		926,229	1,513,138
Building Fund Income		40,545	33,000
Revaluation / (Devaluation) of Managed investments		47,677	10,029
Joining Fees		-	2,988
Other Receipts - Sundry Income		476,291	652,817
Interest Received		520,386	650,219
Rent Received		92,896	37,812
Canteen Income		141,346	450,628
Canteen Income – Recognition of Assets		-	341,696
Merchandise Sales		199,563	91,202
Reimbursement of Travel Expenditure		45,199	-
Political and Donations		-	17,249
Gain / (loss) on Sale of Assets		(5,848)	(14,145)
		8,763,143	10,974,268
<b>EXPENDITURE</b>			
Administration fees		52,000	66,061
Advertising		41,966	70,129
Affiliation Fees			
- Unions WA		76,294	73,361
- Australian Labour Party		75,114	57,802
Auditor's Remuneration – audit of the financial statements		33,000	32,000
Auditors Remuneration – other services##		38,173	62,860
Bank Charges		48,616	56,142
Campaign Costs		226,909	483,521
Canteen Expenditure		-	17,666
Computer Requirements		49,494	32,435
CSTC Training Top Up		185,101	251,688
Depreciation		180,694	140,267
Donations			
- Less than \$1,000		2,709	14,080
- \$1,000 and more		119,500	63,171
Fees/allowances paid to persons to attend conferences or meetings as a representative of the Branch		-	3,526
Fees incurred as consideration for employers making payroll deductions of members subscriptions		-	-
Grants – less than \$1,000		-	-
Grants - \$1,000 or more		-	-
Merchandise Purchases		50,229	130,560
Finance Costs		-	-
Freight		14,145	7,215
Funeral Benefits		460	610
Fringe Benefits Tax		83,880	14,764
Insurance		131,307	134,569
Insurance-Member Benefit		877,200	-
Legal and Settlement Costs			
- Litigation		900,639	2,393,434
- Other		-	-
Meeting Expenses –meetings of members, conferences, councils, committees, etc		11,031	-
Meeting Expenses – other		87,294	54,875
Motor Vehicle Expenses & Service charges		123,030	165,230
Other Expenses		500	9,932

Continued on following page

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014	2013
<b>EXPENDITURE (continued)</b>		<b>\$</b>	<b>\$</b>
Payroll Tax		309,058	326,150
Parking		23,338	11,896
Penalties imposed under the RO Act		-	-
Printing, Postage & Stationery		212,140	188,174
Photocopying & Office Expenses		60,020	51,009
Provision for Employee Entitlements		59,082	(14,969)
Rent, Rates and Electricity		155,392	172,486
Repairs & Maintenance		39,333	37,879
Sponsorship		6,135	-
Staff Amenities		8,646	19,516
Subscriptions		20,672	26,449
Superannuation and Redundancy Contributions		572,076	632,003
Sustentation / Capitation Fees (Federal)		606,981	686,616
Staff Reimbursements		24,375	110,980
Telephone		108,718	106,980
Training		-	7,545
Travel and Accommodation		271,356	262,100
Wages – Office holders		745,683	732,851
Wages - Other employees		2,815,348	2,995,888
		<u>9,447,638</u>	<u>10,689,451</u>
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>		<b>(684,495)</b>	<b>284,817</b>
<b>Other comprehensive income for the year</b>		<u>-</u>	<u>-</u>
Surplus attributable to the Union		<u>(684,495)</u>	<u>284,817</u>
Total Comprehensive income attributable to the Union		<u>(684,495)</u>	<u>284,817</u>

Note: During the reporting period no capitation fees were received from another reporting unit, no compulsory levies were raised from members and no financial support was received from another reporting unit (other than to the extent disclosed in note 10 of the full financial report).

During the reporting period no compulsory levies were imposed on the reporting unit.

## Auditor's Remuneration – other services comprises accounting assistance \$21,919 (2013:\$15,160), taxation advice \$12,254 (2013:\$2,700), due diligence services \$4,000 (2013:\$nil) and corporate governance advisory project \$nil (2013:\$45,000).

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**STATEMENT OF CHANGES IN EQUITY (RESTATED)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	General Funds \$	Hardship Fund \$	Reserves \$	Total \$
<b>Balance at 31 December 2012</b>	<b>17,773,209</b>	<b>608,767</b>	-	<b>18,381,976</b>
Total Comprehensive income for the period ended 31 December 2013	284,817	-	-	284,817
Adjustment to Retained Earnings for Change in Accounting Policy	(3,108,109)	-	-	(3,108,109)
<b>Balance at 31 December 2013 (Restated)</b>	<b>14,949,917</b>	<b>608,767</b>	-	<b>15,558,684</b>
Total Comprehensive income for the period ended 31 December 2014	(684,495)	-	-	(684,495)
Adjustment to Retained Earnings for Change in Accounting Policy	-	-	-	-
<b>Balance at 31 December 2014</b>	<b>14,265,422</b>	<b>608,767</b>	-	<b>14,874,189</b>

**STATEMENT OF CHANGES IN EQUITY (PRIOR TO CHANGE IN ACCOUNTING POLICY)  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	General Funds \$	Hardship Fund \$	Reserves \$	Total \$
<b>Balance at 31 December 2012</b>	<b>17,773,209</b>	<b>608,767</b>	-	<b>18,381,976</b>
Total Comprehensive income for the period ended 31 December 2013	284,817	-	-	284,817
Transfer of Funds	-	-	-	-
<b>Balance at 31 December 2013</b>	<b>18,058,026</b>	<b>608,767</b>	-	<b>18,666,793</b>

To be read in conjunction with the attached notes



**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 \$	2013 \$
<b>Cashflows from Operating Activities</b>			
Receipts from members		8,328,286	8,972,477
Other receipts		-	1,285,696
Payments to suppliers and employees		(10,217,360)	(9,090,353)
Interest received		520,386	650,219
<b>Net Cash Provided by (used in) Operating Activities</b>		<u>(1,368,688)</u>	<u>1,818,039</u>
<b>Cashflows From Investing Activities</b>			
Payments for Property, Plant & Equipment		(54,760)	(593,122)
Proceeds from Sale of Property, Plant & Equipment		-	50,400
<b>Net Cash Provided by (used in) Investing Activities</b>		<u>(54,760)</u>	<u>(542,722)</u>
<b>Cashflows From Financing Activities</b>			
Receipts from Related Entities		-	-
Decrease in Loans Payable		-	-
Increase in Loans Receivable		(1,863,774)	(346,199)
<b>Net Cash Provided by (used in) Financing Activities</b>		<u>(1,863,774)</u>	<u>(346,199)</u>
Net Increase (Decrease) in Cash Held		(3,287,222)	929,118
Cash at 1 January 2013		17,046,958	16,117,840
Cash at 31 December 2014		<u>13,759,736</u>	<u>17,046,958</u>

To be read in conjunction with the attached notes

**NOTES TO THE CONCISE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**NOTE 1: EVENTS AFTER THE REPORTING PERIOD**

No matters or events have arisen since the end of the financial year which significantly effected 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 periods.

**NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of Section 272, subsections (1), (2) and (3) of the Fair Work (Registered Organisations) Act 2009, 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. The application must be in writing and must specify the period within which, and the manner within 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.

A reporting unit must comply with an application made under subsection (1).

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY  
CASH BASIS FOR YEAR ENDED 31 DECEMBER 2014**

	2014 \$	2013 \$
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc	2,200	-
Interest received on recovered money	53	-
<b>Total receipts</b>	2,253	-
<b>Payments</b>		
Deductions of amounts due in respect of membership for:		
- 12 months or less	-	-
- greater than 12 months	-	-
Deductions of donations or other contributions to accounts Or funds of:		
- Construction & Building Industry Super	-	-
- WA Construction Industry Redundancy Fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	2,253	-
<b>Total payments</b>	2,253	-
<b>Surplus / Deficit for the year</b>	-	-

**BALANCE SHEET AS AT 31 DECEMBER 2014**

**Assets**

Cash at bank at beginning of period	60,023	60,023
Add Excess (deficiency) of Receipts over Payments	-	-
<b>Total Assets</b>	60,023	60,023

**Liabilities**

Unclaimed Wages (in respect of 105 workers In 2013 and 105 workers in 2012)	60,023	60,023
<b>Total Liabilities</b>	60,023	60,023

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

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**COMMITTEE OF MANAGEMENT STATEMENT**

The Committee of Management of the Construction Forestry Mining and Energy Union Construction and General Division – WA Branch passed the following resolution at a Management Committee meeting held on 25 September 2015 in relation to the concise financial report of the reporting unit for the financial year ended 31 December 2014:

The Committee of Management declares in relation to the concise financial report that in its opinion:

- a) the financial statements and notes comply with Australian Accounting Standard AASB 1039: Concise Financial Reports.
- b) 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;
- c) 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;
- d) during the financial year to which the concise financial report relates and since the end of the 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 the Fair Work (Registered Organisations) Regulations 2009; and
  - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - (v) the information sought in any request of a member of the reporting unit or the General Manager of Fair Work Commission duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager; and
  - (vi) there has been compliance with any order for inspection of financial records made by Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.
- e) in relation to recovery of wages activity;
  - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager of Fair Work Commission; and
  - (ii) the committee of management caused the Auditor to include in the scope of the audit required under subsection 257(1) of the Fair Work (Registered Organisations) Act 2009 all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and

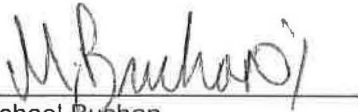
CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

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COMMITTEE OF MANAGEMENT STATEMENT (continued)

- (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
- (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy or fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

This declaration is true and I know that it is an offence to make a declaration knowing that it is false in a material particular - for and on behalf of the Committee of Management:



Michael Buchan  
Secretary

Dated this 24<sup>th</sup> day of September, 2015.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

**MOORE STEPHENS**

**AUDITORS REPORT**

**TO THE MEMBERS OF THE CONSTRUCTION, FORESTRY,  
MINING AND ENERGY UNION OF WORKERS**

Level 3, 12 St Georges Terrace,  
Perth, WA 6000

PO Box 5785, St Georges Terrace, WA 6831

T +61 (0)8 9225 5355

F +61 (0)8 9225 6181

[www.moorestephenswa.com.au](http://www.moorestephenswa.com.au)

**Report on the Concise Financial Report**

We have audited the accompanying Concise Financial Report of Construction Forestry Mining and Energy Union Construction and General Division – WA Branch for the year ended 31 December 2014. The Concise Financial Report does not contain all the disclosures required by the Australian Accounting Standards and accordingly reading the Concise Financial Report is not a substitute for reading the audited financial report.

**Management Committee's Responsibility for the financial report**

The Management Committee is responsible for the preparation and presentation of the Concise Financial Report in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports and for such internal control as they consider necessary to enable the preparation of The Concise Financial Report.

**Auditors Responsibility**

Our responsibility is to express an opinion on the Concise Financial Report based on our procedures which were conducted in accordance with Australian Auditing Standard ASA 810: Engagements to Report on Summary Financial Statements. We have conducted an independent audit in accordance with Australian Auditing Standards on the financial report of the Union for the year ended 31 December 2014.

The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Concise Financial Report. 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. Our procedures included testing that the information in the Concise Financial Report is derived from, and consistent with, the financial report for the year and examination on a test basis, of audit evidence supporting the amounts, and other disclosures which were not directly derived from the annual report for the year. These procedures have been undertaken to form an opinion as to whether, in all material respects the Concise Financial Report complies with AASB 1039: Concise Financial Reports.

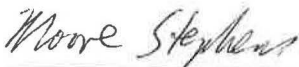
The audit opinion expressed in this report has been formed on the above basis.

**Independence**

In conducting our audit, we have followed applicable independence requirements of Australian professional pronouncements.

**Audit Opinion**

In our opinion, the Concise Financial Report of the Union for the year ended 31 December 2014 complies with AASB 1039: Concise Financial Reports.



MOORE STEPHENS  
CHARTERED ACCOUNTANTS  
PERTH



NEIL PACE  
PARTNER  
REGISTERED COMPANY AUDITOR # 182668  
AND APPROVED AUDITOR  
FCA AND HOLDER OF A CURRENT  
PUBLIC PRACTICE CERTIFICATE

Dated this 29<sup>th</sup> day of September, 2015  
in Perth Western Australia.