



Australian Government
Registered Organisations Commission

20 June 2017

Mr Dean Hall
Secretary, Australian Capital Territory Divisional Branch
Construction and General Division
Construction, Forestry, Mining and Energy Union

By Email: rread@cfmeu.org

Dear Mr Hall

Re: Lodgement of Financial Statements and Accounts – Australian Capital Territory Divisional Branch, Construction and General Division - for year ended 31 December 2016 (FR2016/383)

I refer to the financial report for the Australian Capital Territory Divisional Branch of the Construction and General Division. The report was lodged with the Registered Organisations Commission ('the Commission') on 31 May 2017. A letter from the auditor confirming that management's use of the going concern assumption was appropriate, was received on 19 June 2017.

The financial report has been filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and Reporting Guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note the next report may be subject to an advanced review.

Reporting Requirements

On the Registered Organisations Commission ('ROC') website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained at <http://www.roc.gov.au/running-a-registered-organisation/financial-reporting>

If you have any questions, I may be contacted on 6746 3283 or 0429 462 979 or by email at stephen.kellett@roc.gov.au.

Yours sincerely

A handwritten signature in black ink that reads "Stephen Kellett".

Stephen Kellett
Financial Reporting

RSM Australia Partners

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RM

15 June 2017

Mr Stephen Kellett
Financial Reporting
Registered Organisations Commission
GPO Box 2983
Melbourne VIC 3001

Dear Mr Kellett

**Lodgement of Financial Statements and Accounts – Australian Capital Territory Divisional Branch,
Construction and General Division – for year ended 31 December 2016 (FR2016/383)**

In response to your letter dated 14 June 2017, I confirm that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements for the year ended 31 December 2016 was appropriate.

I apologise for the oversight.

Yours faithfully



RODNEY MILLER

Partner

cc. Stephen Brennan, CFMEU

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Australian Government
Registered Organisations Commission

14 June 2017

Mr Dean Hall
Secretary, Australian Capital Territory Divisional Branch
Construction and General Division
Construction, Forestry, Mining and Energy Union

By Email: rread@cfmeu.org

Dear Mr Hall

Re: Lodgement of Financial Statements and Accounts – Australian Capital Territory Divisional Branch, Construction and General Division - for year ended 31 December 2016 (FR2016/383)

I refer to the financial report for the Australian Capital Territory Divisional Branch of the Construction and General Division. The report was lodged with the Registered Organisations Commission ('the Commission') on 31 May 2017.

The following matter must be addressed before the report is filed.

Auditor's report: declaration regarding going concern

Paragraph 39 of the Reporting Guidelines requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is or is not appropriate. This declaration was not included in the auditor's statement.

On this occasion, the Commission will accept either an amended auditor's report that includes the declaration, or a letter from the auditor separately stating their opinion as to management's use of the going concern basis of accounting assumption in the preparation of the reporting unit's financial statements for 2016.

If you have any questions, I may be contacted on 6746 3283 or 0429 462 979 or by email at stephen.kellett@roc.gov.au.

Yours sincerely

A handwritten signature in black ink that reads 'Stephen Kellett'.

Stephen Kellett
Financial Reporting

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

ABN 38 491 952 173

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2016**

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

DESIGNATED OFFICER'S CERTIFICATE

S268 of Fair Work (Registered Organisations) Act 2009

I, Jason O'Mara being the Divisional Branch Assistant Secretary of the Construction Forestry Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch certify:

- that the documents lodged herewith are copies of the full report for the Construction Forestry Mining and Energy Union, The Construction and General Division, Australian Capital Territory Divisional Branch for the period ended 31 December 2016 referred to in S268 of Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members on 5 May 2017; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 30 May 2017, in accordance with section 266 of Fair Work (Registered Organisations) Act 2009.



Jason O'Mara
Divisional Branch Assistant Secretary
Construction Forestry Mining and Energy Union, The Construction and General Division, Australian
Capital Territory Divisional Branch

Dated this 31 day of MAY 2017
at Canberra, Australian Capital Territory

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 the Committee of Management present their Operating Report on the Construction Forestry Mining and Energy Union, Construction and General – ACT Branch, the relevant reporting unit, for the financial year ended 31 December 2016.

Principle Activities

CFMEU, Construction & General Division – ACT Branch (“reporting unit”) is committed to advancing the wages, conditions, and wellbeing of its membership.

The reporting unit’s principal activities during the year were:

- Representation of members on the job.
- Union-negotiated collective agreements.
- Assisting members with legal representation.
- Facilitating access to training courses.
- Informing members through the regular newsletter.
- Sale of products to union members.
- Investment of union funds.

Review of principle activities

The Committee of Management has reviewed its principle activities and is satisfied that activities have been successfully conducted throughout the year.

Significant changes to activities

There were no significant changes in the nature of the reporting unit’s activities during the year.

Review of results

The results of the reporting unit’s activities were consistent with the reporting unit’s aims and activities.

Significant changes to financial affairs

There has been a significant reduction in the income level for 2016 from 2015. This is as a result of a reduction in donations being received. In addition, expenses have increased mainly as a result of increased legal expenses (Note 3(f)). The reporting unit at Note 1(p) has considered the going concern principle and is satisfied that the going concern concept is satisfied.

The operating loss of the reporting unit for the year ended 31 December 2016 is (\$1,886,214) (2015: operating profit \$1,443,509).

Members rights to resign

Members may resign from the Union in accordance with Section 174 of the Fair Work Act, which reads as follows:

- 1) A member of the Union may resign from membership by written notice addressed and delivered to the Secretary of the Branch of which he is a member.
- 2) A notice of resignation from membership of the Union takes effect:
 - a) Where the member ceases to be eligible to become a member of the Union:
 - i) On the day on which notice is received by the Union; or
 - ii) On the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member; Which ever is later; or
 - b) In any other case:
 - i) At the end of two (2) weeks after the notice is received by the Union; or
 - ii) On the day specified in the notice;

Whichever is later.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

OPERATING REPORT (CONTINUED)

- 3) Any dues payable but not paid by a former member of the Union, in relation to a period before the member's resignation from the Union took effect, may be sued for and recovered in the name of the Union in a court of competent jurisdiction, as a debt due to the Union.
- 4) A notice delivered to the person mentioned in subsection (1) shall be taken to have been received by the Union when it was delivered.
- 5) A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with subsection (1).

A resignation from membership of the Union is valid even if it is not affected in accordance with the rule if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.

Officers as Trustees

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

Prescribed Information

- (a) the number of persons that were, at 31st December 2016, recorded in the register of members for section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the reporting unit under section 244 of the Fair Work (Registered Organisations) Act 2009 was 2,561 (1,745 financial members and 816 non-financial members); (2015: total 2,495 members; 1,600 financial members and 895 non-financial members);
- (b) the number of persons who were, at 31st December 2016, employees of the reporting unit, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis was 12 employees (2015: 11 employees);
- (c) the name of each person who has been a member of the committee of management of the reporting unit at any time during the year ended 31st December 2016, and the period for which he or she held such a position is:

NAME	PERIOD
Dean Hall	Full year
Rod Driver	Full year
Brett Harrison	Full year
Jason O'Mara	Full year
Mark Dymock	Full year
Anthony Vitler	Full year
Duncan Bennett-Burleigh	Full year
Leon Arnold	Full year
Des Marland	Full year
Zachary Smith	Commenced 23 February 2016
Jason Jennings	Full year
Trevor Scott	Full year
Richard Garrety	Full year
Cameron Hardy	Full year
Tim Puckett	Full year
Jeff Polsen	Full year

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

OPERATING REPORT (CONTINUED)

Other Information

There is no other information that the reporting unit considers is relevant.

For and on behalf of the Committee of Management:



DEAN HALL

Dated at Canberra, ACT: 2 May 2017



JASON O'MARA

Dated at Canberra, ACT: 2 May 2017

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

ACCOUNTING OFFICER'S CERTIFICATE

I, Dean Hall, being the officer responsible for keeping the accounting records of the Construction Forestry Mining and Energy Union – Construction and General Division – ACT Branch, hereby certify that as at 31st December 2016 the number of members of the Branch was 2,561 (2015: 2,495) and that in relation to the 2016 financial year, in my opinion;

- (a) the accounts annexed hereto show a true and fair view of the financial affairs of the Branch as at the end of the financial year;
- (b) a record has been kept of all monies paid by, or collected from, members of the Branch, and all monies so paid or collected have been credited to the bank account to which these monies are to be credited in accordance with the rules of the Branch;
- (c) before any expenditure was incurred by the Branch, approval for the incurring of the expenditure was obtained in accordance with the rules of the Branch;
- (d) as to funds of the Branch raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of such funds other than for the purposes for which the fund was created;
- (e) all loans or other financial benefits granted to persons holding office in the Branch were authorised in accordance with the rules of the Branch; and
- (f) the register of members of the Branch was maintained in accordance with the Act.



DEAN HALL

Dated at Canberra, Australian Capital Territory this 2 May 2017

RSM Australia Pty Ltd

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND GENERAL DIVISION- (ACT BRANCH)

Opinion

We have audited the financial report of Construction Forestry Mining and Energy Union Construction and General Division - (ACT Branch), which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Committee of Management statement.

in our opinion the accompanying financial report presents fairly, in all material respects, the financial position of Construction Forestry Mining and Energy Union Construction and General Division - (ACT Branch) as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of Construction Forestry Mining and Energy Union Construction and General Division - (ACT Branch) in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in Construction Forestry Mining and Energy Union Construction and General Division - (ACT Branch) annual report for the year ended 31 December 2016, but does not include the financial report and the auditor's report thereon.

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

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Report

The Committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing Construction Forestry Mining and Energy Union Construction and General Division - (ACT Branch)'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Construction Forestry Mining and Energy Union Construction and General Division - (ACT Branch) or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Pronouncements/Australian-Auditing-Standards/Auditors-Responsibilities.aspx>. This description forms part of our auditor's report.

I declare that I am an approved auditor, a member of the Institute of Chartered Accountants in Australia, and hold a current public practice certificate

A handwritten signature in black ink, appearing to read 'Rodney Miller', written over a horizontal line.

RODNEY MILLER
Director

RSM AUSTRALIA PTY LTD
Canberra, Australian Capital Territory
Dated: 03 May 2017

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

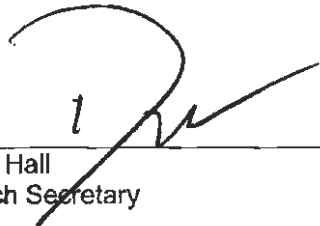
COMMITTEE OF MANAGEMENT STATEMENT

On the 2nd of May 2017 the Committee of Management of the Construction Forestry Mining and Energy Union, Construction and General Division – ACT Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2016:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the 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; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation 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 RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) No recovery of wages activities undertaken by the reporting unit resulted in any revenues or receipts paid or payable to the reporting unit. All Recovered wages were paid directly to reporting unit members by relevant employers.

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



Dean Hall
Branch Secretary



Jason O'Mara
Assistant Secretary

Dated at Canberra, Australian Capital Territory this 2nd May 2017.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTE	2016 \$	2015 \$
Membership Subscriptions		1,007,281	846,186
Advertising Income		52,273	-
Sitting Fees		34,433	25,285
Interest Received		42,918	11,810
Profits from Trusts		-	312,780
Other Revenue	2	902,689	3,298,141
Total Revenue		2,039,594	4,494,202
Employee Expenses	3(a)	(1,831,904)	(1,689,390)
Capitation Fees	3(b)	(88,358)	(97,052)
Affiliation Fees	3(c)	(23,868)	(12,890)
Administrative Expenses	3(d)	(737,421)	(718,236)
Grants or Donations	3(e)	(56,616)	(12,940)
Legal Fees	3(f)	(1,023,127)	(295,446)
Depreciation Expense		(49,331)	(52,770)
Interest Expense		(261)	(2,347)
Bad Debts Expense		-	-
Member Benefits		(82,924)	(148,602)
Audit Fees	4	(19,697)	(21,020)
Loss on Sale of Motor Vehicles		(12,301)	-
Total Expenses		(3,925,808)	(3,050,693)
Net profit/(loss) attributable to members of the Union		(1,886,214)	1,443,509
Other comprehensive income		-	-
Total comprehensive profit/(loss) attributable to members of the Union		(1,886,214)	1,443,509

The accompanying notes form part of these financial statements.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	NOTE	2016 \$	2015 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5	325,588	1,302,860
Trade and Other Receivables	6	335,478	209,393
Other Current Assets	7	<u>118,046</u>	<u>153,229</u>
TOTAL CURRENT ASSETS		<u>779,112</u>	<u>1,665,482</u>
NON-CURRENT ASSETS			
Financial Assets	8	471,607	1,399,179
Property, plant and equipment	9	<u>272,225</u>	<u>178,532</u>
TOTAL NON-CURRENT ASSETS		<u>743,832</u>	<u>1,577,711</u>
TOTAL ASSETS		<u>1,522,944</u>	<u>3,243,193</u>
CURRENT LIABILITIES			
Trade payables	10A	200,622	121,402
Other payables	10B	87,141	85,013
Other Current Liabilities	11	108,256	56,054
Provisions	12	370,929	369,563
Borrowings	13	<u>329,262</u>	<u>290,741</u>
TOTAL CURRENT LIABILITIES		<u>1,096,210</u>	<u>922,773</u>
NON-CURRENT LIABILITIES			
Provisions	12	20,116	27,588
Borrowings	13	<u>-</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES		<u>20,116</u>	<u>27,588</u>
TOTAL LIABILITIES		<u>1,116,326</u>	<u>950,361</u>
NET ASSETS		<u>406,618</u>	<u>2,292,832</u>
EQUITY			
Retained profits		<u>406,618</u>	<u>2,292,832</u>
TOTAL EQUITY		<u>406,618</u>	<u>2,292,832</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2016**

	Retained Earnings \$	Total \$
Balance as at 31 December 2014	849,323	849,323
Profit/(Loss) attributable to the entity	1,443,509	1,443,509
Balance as at 31 December 2015	2,292,832	2,292,832
Profit/(Loss) attributable to the entity	(1,886,214)	(1,886,214)
Balance as at 31 December 2016	406,618	406,618

The accompanying notes form part of these financial statements

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTE	2016 \$	2015 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from members' subscriptions		1,073,897	1,165,527
Cash Receipts from Customers		104,761	25,285
Cash payments to suppliers and employees		(3,751,699)	(3,107,013)
Interest received		42,918	11,810
Donations received		510,000	272,494
Payment of affiliation fees, capitation fees and dispute levies		(150,226)	(109,942)
Other Revenue		105,258	541,554
Donations paid		(18,616)	(17,940)
		<u> </u>	<u> </u>
Net cash generated from operating activities	14(a)	<u>(2,083,707)</u>	<u>(1,218,225)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for Property, Plant and Equipment		(155,324)	(18,301)
Proceeds from Property, Plant and Equipment		-	-
Proceeds from investment		245,458	2,923,826
Proceeds from loans		985,000	-
		<u> </u>	<u> </u>
Net cash provided by investing activities		<u>1,075,134</u>	<u>2,905,525</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Net proceeds from borrowings		-	-
Loan to related company		-	(1,312,780)
Proceeds from borrowings		47,042	275,000
Repayment of Borrowings		(15,741)	(36,059)
		<u> </u>	<u> </u>
Net cash provided by financing activities		<u>31,301</u>	<u>(1,073,839)</u>
		<u> </u>	<u> </u>
Net change in cash held		(977,272)	613,461
		<u> </u>	<u> </u>
Cash at beginning of the financial year		<u>1,302,860</u>	<u>689,399</u>
		<u> </u>	<u> </u>
Cash at the end of the financial year	5	<u>325,588</u>	<u>1,302,860</u>

The accompanying notes form part of these financial statements.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

The financial report covers the Construction Forestry Mining and Energy Union, Construction and General Division – ACT Branch (the Union) as an individual entity. The Union is an unincorporated entity. The Union is a not-for-profit entity for the purposes of Australian Accounting Standard AASB 1054.

The following is a summary of material accounting policies adopted in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a) Income Tax

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

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 losses.

Property

Leasehold buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increase of the same asset are charged against fair value reserves directly in equity, all other decrease are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over their useful economic lives commencing from the time the asset is held ready for use.

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

<i>Class of asset</i>	<i>Depreciation rate</i>
Office Equipment	12.5-66%
Motor Vehicles	25%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

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.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

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 AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated hedges. Realised and unrealised gains or losses arising from changes in the fair value of these assets are included in the income statement in the period in 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.

Impairment

At each reporting date, the entity assesses 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 an impairment has arisen. Impairment losses are recognised in the income statement.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Impairment of Assets

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

Where it is not possible to estimate the recoverable amount of an individual asset, the Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the Union's share of post acquisition reserves of its associates.

Associated entities are those that the Committee of Management have determined that the Union has significant influence, but not controlling interest, by means of the level of equity held and the relationship to the Union and the Committee of Management members. There are currently no Investments in Associates.

g) Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, and annual leave which will be settled after one year, have been measured at their nominal amount, plus any related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

h) Provisions

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

i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

j) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to members and customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the members and customers.

Revenue from membership fees is recognised at the fair value of consideration received or receivable in the period the membership fees relate and is net of returns, discounts or rebates.

Revenue from Trusts is recognised at the end of the Trust reporting period and may include early distributions where appropriate.

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

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Goods and Services Tax (GST)

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

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

l) Capitation fees and levies

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

m) Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

n) Critical accounting estimates and judgements

The Committee 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.

o) Correction to prior year

For the year ended 30 June 2015 a contribution to the CFMEU was incorrectly disclosed as an IQ Unit Distribution in the statement of comprehensive income. The 2015 statement has been restated to disclose the contribution as a donation included in Other Revenue. Other Revenue is detailed in Note 2 to the financial statements. The impact of the restatement is detailed in the table below:

Statement of Comprehensive Income extract	30 June 2015	Increase/(decrease) due to restatement	30 June 2015 restated
IQ Unit distribution	\$2,923,826	\$(2,923,826)	-
Other revenue	\$374,315	\$2,923,826	\$3,298,141
Total Revenue	\$4,494,202	-	\$4,494,202
Net Profit attributable to members of the union	\$1,443,509	-	\$1,443,509
Total Comprehensive Income attributable to members of the union	\$1,443,509	-	\$1,443,509

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Construction Forestry Mining and Energy Union Construction and General ACT Branch (the Union) incurred a loss of (\$1,886,214) and had net cash outflows from operating activities of \$2,083,707 for the year ended 31 December 2016. As at that date the Union had net current liabilities of \$317,098 and net assets of \$406,618.

The Committee of Management believe that it is reasonably foreseeable that the Union will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factor:

The Canberra Tradesmen's Union Club Limited (the Club) has provided a letter of support stating the Club undertakes to provide the CFMEU with financial support to a level that will allow the CFMEU to continue to operate as a going concern for a period of 12 months from the date of financial report.

q) New standards and interpretations adopted

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

r) New standards and interpretations issued but not yet effective

At the date of this financial report the following standards and interpretations, which may impact the entity in the period of initial application, have been issued but are not yet effective:

Reference	Title	Summary	Application date (financial years beginning)	Expected impact
AASB 1057	<i>Application of Australian Accounting Standards</i>	The AASB moved application paragraphs in all Australian Accounting Standards to this new standard, in order to maintain consistency with the layout of IFRS standards.	1 January 2017	No expected impact
AASB 2014-4	<i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation</i>	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset, and to clarify that revenue is generally presumed to be an inappropriate basis for that purpose.	1 January 2017	Minimal impact

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 2015-1	<i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle</i>	The Standard makes amendments to various Australian Accounting Standards arising from the IASB's Annual Improvements process, and editorial corrections.	1 January 2017	No expected impact
AASB 2015-2	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101</i>	The Standard makes amendments to AASB 101 <i>Presentation of Financial Statements</i> arising from the IASB's Disclosure Initiative project.	1 January 2017	Disclosures Only
AASB 2015-6	<i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</i>	The amendments specify consistent related party disclosure requirements for the Australian Government, State Governments, local councils and other not-for-profit public sector entities.	1 July 2017	Disclosures Only
AASB 2014-5	<i>Amendments to Australian Accounting Standards arising from AASB 15</i>	Consequential amendments arising from the issuance of AASB 15.	1 January 2017	No impact on client

AASB 2015-7	<i>Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities</i>	This amendment relieves not-for-profit public sector entities from certain disclosures about the fair value measurements of property, plant and equipment. The relief exempts them from disclosures of quantitative information about significant unobservable inputs used in fair value measurements, sensitivity of certain fair value measurements to changes in unobservable inputs, etc.	1 July 2017	Disclosures Only
AASB 9	<i>Financial Instruments</i>	This Standard supersedes both AASB 9 (December 2010) and AASB 9 (December 2009) when applied. It introduces a "fair value through other comprehensive income" category for debt instruments, contains requirements for impairment of financial assets, etc.	1 January 2018	Minimal Impact
AASB 2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>	Consequential amendments arising from the issuance of AASB 9	1 January 2018	Minimal Impact

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 15	<i>Revenue from contracts with customers</i>	AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.	1 January 2018	Minimal Impact
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CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
NOTE 2 – OTHER REVENUE		
(a) Capitation Fees	-	-
(b) Levies	-	-
(c) Donations*	755,458	3,196,320
(d) Dividends Received	208	155
(e) JLT Income	-	-
(f) EBA Lodgement Income	5,218	-
(g) Audit and Training Fund	-	-
(h) Revaluation of Investments	-	-
(i) Sundry Income	-	4,009
(j) Bad debts recovered	-	10,456
(k) Adjustment to impairment of receivables	9,901	87,201
(l) Grants	-	-
(m) Sponsorship Income	31,864	-
(n) Settlement receipts	100,000	-
(o) Counselling Income	40	-
	902,689	3,298,141

*See correction to prior year detailed in Note 1.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
NOTE 3 – EXPENSES		
a) Employee Expenses		
Office Holders		
Wages and Salaries	373,964	370,808
Wages and Salaries – Leave Paid Out	12,009	14,902
Superannuation	38,566	38,506
Separation	-	-
Other	86,519	47,905
	511,058	472,121
Employees other than Office Holders		
Wages and salaries	1,077,872	948,006
Wages and Salaries – Leave Paid Out	16,909	4,022
Superannuation	99,000	81,987
Separation	-	-
Other	127,065	183,254
	1,320,846	1,217,269
Total Employee Expenses	1,831,904	1,689,390

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 3 – EXPENSES (CONTINUED)

Key Management Personnel Remuneration for the Reporting Period

The key management personnel of the Branch are the Office Holders, Secretary and Assistant Secretary. The totals of remuneration paid to the key management personnel during the year are as follows:

	2016	2015
Short-term employee benefits	\$	\$
Salary (including leave taken)	373,964	370,808
Annual Leave and RDO Accrual	143,520	117,674
Long Term Benefits		
Long term benefits	96,499	75,283
Post Employment Benefits		
Post-employment benefits (to Superannuation fund only)	38,566	38,506
Termination benefits	-	-
	<hr/>	<hr/>
Total	652,549	602,271

Office holders receive honorariums for positions they hold with other entities. The amounts received are contributed back to the Union and are recorded as Sitting Fees in Revenue.

b) **Capitation Fees**

CFMEU Construction & General Division National Office	88,358	97,052
	<hr/>	<hr/>
Total Capitation Fees	88,358	97,052

c) **Affiliation Fees**

Australian Labor Party	11,574	6,324
Unions ACT	11,676	5,748
APHEDA	618	818
	<hr/>	<hr/>
Total Affiliation Fees	23,868	12,890

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 3 – EXPENSES (CONTINUED)

	2016	2015
	\$	\$
d) Administration Expenses		
Consideration to Employers for Payroll Deductions	-	-
Compulsory Levies:		
CFMEU Construction & General – National Campaign Levy	9,173	22,472
Fees/Allowances – Meeting and Conferences	68,009	42,800
Conference and Meeting Expenses	119,314	108,978
Contractors/Consultants	12,835	31,608
Property Expenses	40,575	42,696
Office Expenses	171,582	195,462
Motor Vehicle Expenses	47,499	60,864
Advertising Expenses	53,550	78,886
Sponsorship	-	455
Other Expenses	214,884	134,015
	737,421	718,236
Total Administration Expenses	737,421	718,236
e) Grants or Donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	2,798	940
Total paid that exceeded \$1,000	53,818	12,000
	56,616	12,940
Total Grants or Donations	56,616	12,940
f) Legal fees		
Litigation	775,290	169,602
Other Legal Matters	247,837	125,844
Total Legal Fees	1,023,127	295,446

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 4 – REMUNERATION OF AUDITOR

Total amounts received and receivable by the auditors of the Union for:

	2016	2015
	\$	\$
Audit of the Union's financial report	19,697	21,020
Other services	-	-
Total remuneration of auditors	<u>19,697</u>	<u>21,020</u>

NOTE 5 – CASH AND CASH EQUIVALENTS

	2016	2015
	\$	\$
Cash on hand	1,400	1,400
Cash at bank	324,188	1,301,460
	<u>325,588</u>	<u>1,302,860</u>

The effective interest rate on cash at bank was 1.75% (2015: 2.5%)

Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

	2016	2015
	\$	\$
Cash assets and cash equivalents	325,588	1,302,860

NOTE 6 – TRADE AND OTHER RECEIVABLES

Receivables from other reporting units

CFMEU Construction & General National Office	240,447	-
Total receivables from other reporting units	<u>240,447</u>	<u>-</u>

Less provision for doubtful debts

	-	-
Total provision for doubtful debts	<u>-</u>	<u>-</u>

Receivable from other reporting units (net)

	<u>240,447</u>	<u>-</u>
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Other Receivables

GST Receivable from the Australian Taxation Office	6,989	12,186
Other trade receivables	88,042	197,207
Total other receivables	<u>95,031</u>	<u>209,393</u>
Total trade and other receivables (net)	<u>335,478</u>	<u>209,393</u>

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
NOTE 7 – OTHER CURRENT ASSETS		
Accrued Income	52,905	39,097
Prepayments	65,141	64,132
Loan to Creative Safety Initiative Trust	-	50,000
	118,046	153,229

	2016	2015
	\$	\$
NOTE 8 – FINANCIAL ASSETS		
Shares in listed corporations - available for sale	3,707	3,499
Equity in the Marque	132,900	132,900
Loan to Creative Safety Initiative Trust	-	262,780
Loan to Canberra Tradesmen's Union Club Limited	335,000	1,000,000
	471,607	1,399,179

At the date of this report the Union has subscribed to 132,900 \$1 units in Marque Northbourne Limited as trustee for The Marque Northbourne Unit Trust. The Trust is a Special Purpose Trust which has entered into a joint venture agreement with Prime Space as trustee of the Northbourne Trust and Worth Street Commercial Pty Ltd. The purpose of the JV is to construct and develop a residential development project. The project is known as IQ Apartments.

The Union is a minority unit holder in the Trust and does not have control over the Trust. The project has now reached practical completion and development risk has been eliminated. There are no liquidity arrangements, guarantees or other commitments with the joint venture that will affect the Union's interest in the investment. The current expectation is that the Trust will be finalised by 30 June 2017 or shortly thereafter.

At the date of these financials there does not exist any conditions precedent that have not yet been satisfied.

The investment has resulted in a distribution of 2016: \$245,458 which was received during the financial year ending 31st December 2016.

The Loan to Canberra Tradesmen's Union Club Limited was a secured financial loan for a period of 3 years at an interest rate of 5%pa. The Club may repay the whole or part of the loan on any date without penalty. The loan was for the general purpose of the Club. The Union has no reason to believe that the loan will affect the entity's cash requirements.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

	2016	2015
	\$	\$
Office Equipment - at cost	118,579	52,890
Less accumulated depreciation	<u>(25,351)</u>	<u>(28,954)</u>
	<u>93,228</u>	<u>23,936</u>
Motor Vehicles – at cost	318,345	291,554
Less accumulated depreciation	<u>(139,348)</u>	<u>(136,958)</u>
	<u>178,997</u>	<u>154,596</u>
Total Property, Plant and Equipment	<u><u>272,225</u></u>	<u><u>178,532</u></u>

Reconciliation of the Opening and Closing Balances of Plant and Equipment

	Motor Vehicles	Office Equipment	Total
	\$	\$	\$
As at 1 January 2016			
Gross book value	291,554	52,889	344,443
Accumulated depreciation and impairment	(136,958)	(28,953)	(165,911)
Net book value 1 January 2016	<u>154,596</u>	<u>23,936</u>	<u>178,532</u>
Additions:			
By purchase	105,280	77,772	183,052
From acquisition of entities (including restructuring)	-	-	-
Impairments	-	-	-
Depreciation expense	(41,416)	(7,915)	(49,331)
Other movement (reversal of accumulated depreciation on disposal or write off)	39,025	12,082	51,107
Disposals:			
From disposal of entities (including restructuring)	-	-	-
From disposal or write off	(78,488)	(12,647)	(91,135)
Net book value 31 December 2016	<u>178,997</u>	<u>93,228</u>	<u>272,225</u>
Net book value as of 31 December 2016 represented by:			
Gross book value	318,345	118,579	436,924
Accumulated depreciation and impairment	(139,348)	(25,351)	(164,699)
Net book value 31 December 2016	<u>178,997</u>	<u>93,228</u>	<u>272,225</u>

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
NOTE 10A – TRADE PAYABLES		
Trade creditors	73,105	53,926
Accrued expenses	124,375	67,369
Subtotal trade creditors	197,480	121,295
Payables to other reporting unit		
CFMEU Construction & General VIC/TAS Branch	-	107
CFMEU Construction & General National Branch	3,142	-
Subtotal payables to other reporting unit	3,142	107
Total trade payables	200,622	121,402
Settlement is usually made within 30 days.		
NOTE 10B – OTHER PAYABLES		
Legal costs - Litigation	63,711	49,848
Legal costs - Other	2,567	18,009
Subtotal Legal costs	66,278	67,857
Superannuation	20,863	17,156
GST Payable	-	-
Total other payables	87,141	85,013
Total other payables are expected to be settled in:		
No more than 12 months	87,141	85,013
Total other payables	87,141	85,013

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
NOTE 11 – OTHER CURRENT LIABILITIES		
Income in Advance	108,256	56,054
	108,256	56,054
NOTE 12 - PROVISIONS		
	2016	2015
	\$	\$
Opening balance at 1 January 2016	397,151	389,469
Net provision movement during year	(6,106)	7,682
Balance at 31 December 2016	391,045	397,151
Current	370,929	369,563
Non-Current	20,116	27,588
	391,045	397,151
Employee benefits attributable to:		
Office Holders		
Annual Leave	65,450	55,445
Long Service Leave	96,499	75,283
Separations and redundancies	-	-
Other	78,070	62,229
Subtotal employee provisions – office holders	240,019	192,957
Employees other than Office Holders		
Annual Leave	56,982	75,917
Long Service Leave	40,238	62,425
Separations and redundancies	-	-
Other	53,805	65,852
Subtotal employee provisions – employees other than office holders	151,025	204,194
Total Employee Provisions	391,044	397,151

Provision for Employee Entitlements

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

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 13 – BORROWINGS

	2016	2015
	\$	\$
Current		
Hire purchase	-	16,003
Less future finance charges	-	(262)
Loan from Creative Safety Initiatives Trust	7,220	
Loan from Marque Northbourne Trust	322,042	275,000
	<u>329,262</u>	<u>290,741</u>
Non-Current		
Hire purchase	-	-
Less future finance charges	-	-
	<u>-</u>	<u>-</u>

The loan from Marque Northbourne Trust is an advance on the profit distribution for 2017. The loan is unsecured and non-interest bearing and will be repaid within 12 months.

NOTE 14 - CASH FLOW INFORMATION

(a) Reconciliation of Cash Flows from Operations with Profit

	2016	2015
	\$	\$
Profit/(Loss) for the year	(1,886,214)	1,443,509
Adjustments for:		
Depreciation and amortisation	49,331	52,770
Unrealised gain on Investments	-	-
Bad Debts Expense	(9,901)	-
IAG Shares – Dividend Reinvestment Plan	(208)	-
Loss on sale of Assets	12,301	-
Investment Income	(245,458)	(2,923,826)
Changes in operating assets and liabilities:		
(Increase)/Decrease in receivables	(221,382)	450,973
(Increase)/Decrease in other assets	(14,817)	(20,088)
Increase/(Decrease) in payables	182,438	(228,967)
Increase/(Decrease) in employee provisions	(1,998)	13,255
Increase/(Decrease) in other liabilities	52,201	(5,851)
Cash flows from operations	<u>(2,083,707)</u>	<u>(1,218,225)</u>

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 14 - CASH FLOW INFORMATION (CONTINUED)

(b) Non-cash Financing and Investing Activities

There were no non-cash financing or investing activities during the period.

(c) Credit Stand by Arrangement and Loan Facilities

The Union has four credit cards issued to office holders and employees, with a total credit limit for all three of \$32,500. No other credit stand-by or financing facilities are in place.

(d) Cash Flow to/from other reporting units

Cash Flow from other reporting units		
CFMEU Construction and General National Office	3,306	6,485
CFMEU Head Office	-	25,000
CFMEU Construction and General NSW	-	8,429
CFMEU Construction and General QLD	2,200	.
CFMEU Forestry and Furnishings Products Division VIC	-	4,570
CFMEU Construction and General WA	.	-
CFMEU Construction and General VIC/TAS	-	-
CFMEU Mining and Energy QLD	-	5,561
Total Cash Flow from Other reporting units	5,506	50,045
Cash Flow to other reporting units		
CFMEU Construction and General National Office	168,229	213,566
CFMEU Construction and General NSW	3,748	2,600
CFMEU Construction and General QLD	3,219	19,223
CFMEU Forestry and Furnishings Products Division VIC	-	27,084
CFMEU Head Office	123,372	134,449
CFMEU Construction and General WA	2,500	2,000
CFMEU Construction and General VIC/TAS	2,303	2,254
Total Cash Flow from Other reporting units	303,371	401,176

NOTE 15 – EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events after the balance sheet date.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 16 – RELATED PARTY TRANSACTIONS

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

Sitting fees for Office Holders

	2016	2015
	\$	\$
ACT Construction Industry Long Service Leave Board	2,683	2,245
ACIRT	10,000	15,000
Training Fund Authority	2,500	-
Membership	-	-
	<u>15,183</u>	<u>17,245</u>

Affiliation Fees paid

	2016	2015
	\$	\$
Australian Labor Party – ACT Branch	12,732	6,324
Unions ACT	13,042	5,748
APHEDA	2,240	818
	<u>28,014</u>	<u>12,890</u>

Transactions with other reporting units - Expenses

	2016	2015
	\$	\$
CFMEU Construction and General NSW	3,408	2,364
CFMEU Construction and General National Office	130,011	197,639
CFMEU Construction and General QLD	3,018	17,476
CFMEU Construction and General VIC/TAS	1,996	2,147
CFMEU Forestry and Furnishings Products Division VIC	-	15,250
CFMEU Construction and General WA	2,273	2,000
CFMEU Head Office	112,156	122,226
	<u>252,862</u>	<u>359,102</u>

Transactions with other reporting units - Revenue

	2016	2015
	\$	\$
CFMEU Construction and General NSW	-	-
CFMEU Construction and General National Office	3,005	5,895
CFMEU Head Office	-	25,000
CFMEU Construction and General QLD	2,000	-
CFMEU Forestry and Furnishings Products Division VIC	-	-
CFMEU Mining and Energy QLD	-	-
CFMEU Construction and General WA	-	-
	<u>5,005</u>	<u>30,895</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 16 – RELATED PARTY TRANSACTIONS (CONTINUED)

Payables to other reporting units

	2016	2015
	\$	\$
CFMEU Construction and General National Office	3,142	-
CFMEU Construction and General VIC/TAS	-	107
CFMEU Forestry and Furnishings Products Division VIC	-	-
	<u>3,142</u>	<u>107</u>

Receivables from other reporting units

	2016	2015
	\$	\$
CFMEU Head Office	-	-
CFMEU Construction and General National Office	240,447	-
CFMEU Construction and General VIC/TAS	-	-
CFMEU Forestry and Furnishings Products Division VIC	-	-
CFMEU Mining and Energy QLD	-	-
	<u>240,447</u>	<u>-</u>

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2016, the Construction Forestry Mining and Energy Union – ACT Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTE 17 – ECONOMIC DEPENDENCY

The continuing operation of the Union is dependent upon the financial support by the Canberra Tradesmen's Union Club to the CFMEU ACT Branch. The support from Canberra Tradesmen's Union Club included financial support totalling \$510,000 (2015: \$272,493) for the year ended 31 December 2016.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 18 - FINANCIAL RISK MANAGEMENT

The union's financial instruments consist mainly of deposits with bank, short term investments, accounts receivable and accounts payable.

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

	NOTE	2016 \$	2015 \$
Financial Assets			
Cash and cash equivalents	5	325,588	1,302,860
Loan to CSI Trust		-	50,000
Available for sale financial assets			
– Shares in listed corporations		3,707	3,499
– Shares in Marque Northbourne Trust	8	132,900	132,900
Loans and Receivables			
– Loan to Creative Safety Initiative Trust		-	262,780
Loan to Canberra Tradesmen's Union Club Ltd		335,000	1,000,000
		930,095	2,752,039
Financial Liabilities			
Financial liabilities at amortised cost			
Trade payables	10A	200,622	121,402
Other payables	10B	87,141	85,013
– Borrowings	13	329,262	290,741
		617,025	497,156

Credit quality of financial instruments not past due or individually determined as impaired

	Not past due Nor Impaired 2016 \$	Past due or impaired 2016 \$	Not past due Nor Impaired 2015 \$	Past due or impaired 2015 \$
Financial asset				
Trade, term and loans receivables		7,316		7,316
Sundry debtors		52,898		62,799
Total		60,214		70,115

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 18 - FINANCIAL RISK MANAGEMENT (CONTINUED)

Ageing of financial assets that were past due but not impaired for 2016

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade receivables	240,447	8,751	-	7,316	256,514
Sundry debtors	72,721	-	-	52,898	125,619
Total	313,168	8,751	-	60,214	382,133

Ageing of financial assets that were past due but not impaired for 2015

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade receivables	109,912	-	-	7,316	117,228
Sundry Debtors	85,524	-	-	62,799	148,323
Total	195,436	-	-	70,115	265,551

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 18 – FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Risk Management Policies

Consisting of senior committee members, the finance and investment committee's overall risk management strategy seeks to assist the union in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

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

a. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

b. Liquidity risk

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

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing only in surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 18 – FINANCIAL RISK MANAGEMENT (CONTINUED)

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis 2016

	Note	< 1 Year	1 - 2 Years	2 – 5 Years	>5 Years	Total
		\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade payables (excluding estimated annual leave and deferred income)	10A	200,622	-	-	-	200,622
Other payables	10B	87,141	-	-	-	87,141
Borrowings	13	329,262	-	-	-	329,262
Total expected outflows		617,025	-	-	-	617,025
Financial assets — cash flows realisable						
Cash and cash equivalents	5	325,588	-	-	-	325,588
Trade, term and loans receivables	6	335,478	-	-	-	335,478
Total expected inflows		661,066	-	-	-	661,066
Total Net Inflows/(Outflows)		(44,041)	-	-	-	(44,041)

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 18 – FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial liability and financial asset maturity analysis 2015

	Note	< 1 Year	1 - 2 Years	2 – 5 Years	>5 Years	Total
		\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade payables (excluding estimated annual leave and deferred income)	10A	121,402	-	-	-	121,402
Other payables	10B	85,013	-	-	-	85,013
Borrowings	13	290,741	-	-	-	290,741
Total expected outflows		497,156	-	-	-	497,156
Financial assets — cash flows realisable						
Cash and cash equivalents	5	1,302,860	-		-	1,302,860
Trade, term and loans receivables	6	209,393	-		-	209,393
Total expected inflows		1,512,253	-		-	1,512,253
Total Net Inflows/(Outflows)		1,015,097	-	-	-	1,015,097

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 18 – FINANCIAL RISK MANAGEMENT (CONTINUED)

Net Fair Values

Fair value estimation

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

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

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

	Footnote	2016 Net Carrying Value \$	Net Fair Value \$	2015 Net Carrying Value \$	Net Fair Value \$
Financial assets					
Cash and cash equivalents	(i)	325,588	325,588	1,302,860	1,302,860
Trade and other receivables	(i)	335,478	335,478	209,393	209,393
Loans receivable	(i)	335,000	335,000	1,312,780	1,312,780
Investments – available-for-sale	(ii)	136,607	136,607	136,399	136,399
Total financial assets		1,132,673	1,132,673	2,961,432	2,961,432
Financial liabilities					
Trade payables	(i)	200,622	200,622	121,402	121,402
Other payables	(i)	87,141	87,141	85,013	85,013
Loans payable	(i)	329,262	329,262	290,741	290,741
Total financial liabilities		617,025	617,025	497,156	497,156

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

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for relating to annual leave and deferred income which is not considered a financial instrument.
- (ii) For listed available-for-sale financial assets, closing quoted bid prices at reporting date are used.
- (iii) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate lease liability will differ to the carrying values.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 18 – FINANCIAL RISK MANAGEMENT (CONTINUED)

Sensitivity Analysis

The following table illustrates sensitivities to the union's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Financial Assets	
	Profit	Equity
	\$	\$
Year Ended 31 December 2016		
+/- 2% in interest rates	6,484	6,484
+/- 10% in listed investments	13,661	13,661
Year Ended 31 December 2015		
+/- 2% in interest rates	26,029	26,029
+/- 10% in listed investments	13,640	13,640

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

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

NOTE 19 – CAPITAL MANAGEMENT

Management control the capital of the union to ensure that adequate cash flows are generated to fund its operations and that returns from investments are maximised. Management ensures that the overall risk management strategy is in line with this objective.

Management operates under policies approved by the Committee of Management. Risk management policies are approved and reviewed by the Committee on a regular basis. These include credit risk policies and future cash flow requirements.

There have been no changes to the strategy adopted by management to control the capital of the union since previous year.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 20 – CONTINGENT LIABILITIES

As at balance date the Union has no known contingent liabilities.

Unquantifiable contingences

The Union is currently involved in a number of ongoing legal matters in the normal course of business. The liability of the Union in respect of these matters cannot be reliably estimated at this time.

NOTE 21 – COMMITMENTS

	2016	2015
	\$	\$
Hire Purchase Liability		
Payable – minimum lease payments		
Not later than 12 months	-	15,741
Between 12 months but not later than 5 years	-	-
Greater than 5 years		
Less future finance charges	-	-
	<u>-</u>	<u>15,741</u>
 Loan from Marque Northbourne Trust		
Payable – Not later than 12 months	<u>322,042</u>	<u>275,000</u>
	<u>322,042</u>	<u>275,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 22 – 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

The company 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.

(a) Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categories fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market is 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 company selects valuation techniques that are 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 company are consistent with one or more of the following valuation approaches:

- **Market approach:** uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
 - **Income approach:** converts estimated future cash flows or income and expenses into a single current (i.e. discounted) value.
- Cost approach:** reflects 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 company 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 are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 22 – FAIR VALUE MEASUREMENTS (CONTINUED)

The following table provides the fair value of the company's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy.

	Note	Level 1 \$	Total \$
2016			
Recurring fair value measurements			
— Financial assets	8	3,707	3,707
Total assets recognised at fair value		<u>3,707</u>	<u>3,707</u>
	Note	Level 1 \$	Total \$
2015			
Recurring fair value measurements			
— Financial assets	8	3,499	3,499
Total assets recognised at fair value		<u>3,499</u>	<u>3,499</u>

(b) Valuation techniques and inputs used to measure Level 1 fair values

Description	Fair value at 31 December 2016 \$	Valuation Techniques	Inputs used
— Financial assets	3,707	Market approach using quoted prices for identical assets published on Australian Stock Exchange	Price per square metre/yield to net income
	<u>3,707</u>		
Description	Fair value at 31 December 2015 \$	Valuation Techniques	Inputs used
— Financial assets	3,499	Market approach using quoted prices for identical assets published on Australian Stock Exchange	Price per square metre/yield to net income
	<u>3,499</u>		

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 22 – FAIR VALUE MEASUREMENTS (CONTINUED)

(c) Disclosed fair value measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:

- Accounts receivable and other debtors
- Accounts payable and other payables
- Hire purchase liabilities

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used:

Description	Note	Fair value hierarchy level	Valuation technique(s)	Inputs used
Accounts receivable and other debtors	6	3	Amortised cost	Invoices and contracts
Accounts payable and other payables	10	3	Amortised cost	Invoices and contracts
Hire purchase liability	13	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments

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

ABN 38 491 952 173

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 23 – MEMBERS' ACCESS TO FINANCIAL RECORDS

Pursuant to Section 272 of the Fair Work (Registered Organisations) Act 2009, Members may access financial records as follows:

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

NOTE 24 – GENERAL DISCLOSURES

Pursuant to the reporting guidelines of Section 253 of the Fair Work (Registered Organisations) Act 2009 the Union notes that:

- 1) The reporting entity is not reliant on an agreed financial support of another reporting unit;
- 2) The reporting entity has not agreed to provide financial support to another reporting unit;
- 3) The reporting unit has not acquired an asset or a liability during the year as a result of an amalgamation, or other restructure or business combination;
- 4) The reporting unit has not had a revocation of an asset or a liability during the year as a result of a determination under s245 or revocation under s249;
- 5) The reporting unit has not received any capitation fees from another reporting unit;
- 6) The reporting unit has not raised funds from members or as an appeal for voluntary contributions from members during the year, and no compulsory levies have been imposed on the reporting unit;
- 7) The reporting unit is not in receipt of financial support from another reporting unit;
- 8) The reporting unit has not incurred expenses as consideration for employers making payroll deductions of membership subscriptions;
- 9) The reporting unit has no payables to employers as consideration for the employers making payroll deductions of membership subscriptions;
- 10) The reporting unit has no other funds as specified in Reporting Guideline 22 other than the general fund.
- 11) The reporting unit has not had penalties applied under the Fair Work (Registered Organisations) Act 2009;

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 25 – DISCLOSURE BY OFFICERS OF REMUNERATION AND NON-CASH ABENEFITS

In accordance with CFMEU Rule 24B (c) (ii) and (iii) the top two ranked officers within the Branch by relevant remuneration are:

Name of Officer	Relevant Remuneration	Non-Cash benefits
Dean Hall	Base Package \$195,256.50 \$ 25,000.01* \$220,256.51 <i>*Note: The officer had Annual leave/RDO's cashed out during the period of disclosure total amount being \$25,000.01</i>	Vehicle
Jason O'Mara	Base Package \$157,959.81 \$ 12,393.15* \$170,352.96 <i>*Note: The officer had Annual leave/RDO's cashed out during the period of disclosure total amount being \$12,393.15</i>	Vehicle

NOTE 26 – UNION DETAILS

The registered office of the union is:

3 Rosevear Place
Dickson ACT 2602

RSM Australia Pty Ltd

Equinox Building 4, Level 2.70 Kent Street Deakin ACT 2600
GPO Box 200 Canberra ACT 2601

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AUDITOR'S DISCLAIMER

The additional financial data presented in the following pages is in accordance with the books and records of the Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch (CFMEU) which have been subjected to the auditing procedures applied in our audit of the CFMEU for the year 31 December 2016. It will be appreciated that our audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person, (other than to the CFMEU), in respect of such data, including any errors or omissions therein however caused.



RODNEY MILLER
Director

RSM AUSTRALIA PTY LTD

Canberra, Australian Capital Territory

Dated: 03 May 2017

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CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

Revenue	2016	2015
	\$	\$
Membership subscriptions	1,007,281	846,186
Grant Income	-	-
Donations received	755,458	3,196,320
Sitting fees	34,433	25,285
EBA Lodgement Income	5,218	-
JLT Income	-	-
Sundry income	-	4,009
Bad debts recovered	-	10,456
Interest received	42,918	11,810
Advertising	52,273	-
Profits from trusts	-	312,780
IQ Unit Distribution	-	-
Dividends Received	208	155
Audit and Training Fund	-	-
Adjustment to impairment of receivables	9,901	87,201
Revaluation of Investments	-	-
Sponsorship income	31,864	-
Settlement receipts	100,000	-
Counselling income	40	-
Total Revenue	<u>2,039,594</u>	<u>4,494,202</u>
Expenditure		
Membership fees	9,125	8,575
Audit and accounting fees	24,847	26,870
ACIRT	44,025	49,760
Advertising and promotion costs	53,550	78,886
Annual Leave expense	16,877	17,440
Bank charges	12,551	12,744
Bad Debts expense	-	-
Campaign Funding expense	180,870	114,000
Capitation fees – National Office	88,358	97,052
Loss on sale of motor vehicles	12,301	-
Catering	-	-
CITEA rent	-	-
Consultancy services	7,686	25,758
Compulsory Levies	9,173	22,472
Computer expenses	6,933	4,144
Conference & Meeting expenses	8,569	14,259
Depreciation	49,331	52,770
Donations	18,616	17,940
Fees/Allowances-Meeting & Conferences	68,009	42,800
Freight and cartage	487	1,213
Fines and Penalties	21,033	7,272
Fringe Benefits Tax	31,902	48,465
Interest	261	2,912
Insurance	24,412	22,975
Publications	37,471	53,540
Legal costs	1,023,126	295,446
Long Service Leave expense	23,827	28,691
Affiliation fees	23,868	12,890
Motor vehicle expenses	47,499	60,864
Newspapers	1,599	1,796
Payroll tax	98,404	168,358
Postage, printing and stationery	36,263	29,676

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	2016	2015
	\$	\$
Expenditure (continued)		
Political payments	38,000	-
Salaries and wages – office holders & employees	1,480,754	1,337,738
Sponsorship	-	455
Subscriptions	1,145	3,001
Sundry expenses	430	-
Superannuation contributions	137,566	120,492
Staff amenities	25,880	5,200
Staff training	5,489	-
Telephone	37,204	40,666
Training	-	8,455
Travelling & accommodation expenses	110,745	94,720
Workers compensation	10,126	5,358
Waste Disposal	1,104	1,279
Repairs and maintenance	2,268	751
Office expenses	-	-
Member expenses	73,797	135,027
Protective clothing	-	16,432
RDO Expense	20,327	(38,449)
Total Expenditure	3,925,808	3,050,693
Operating Profit / (Loss)	(1,886,214)	1,443,509



27 January 2017

Ms Susan Benton
Office Manager
Construction, Forestry, Mining and Energy Union
Construction and General Division, Australian Capital Territory Divisional Branch
By Email: sbenton@act.cfmeu.asn.au

Dear Ms Benton,

**Re: Lodgement of Financial Report - [FR2016/383]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Construction, Forestry, Mining and Energy Union-Construction and General Division, Australian Capital Territory Divisional Branch (the reporting unit) ended on 31 December 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 31 March 2017.

The new Registered Organisations Commission

The Registered Organisations Commission (the ROC) will be established in 2017.

Statements of loans, grants and donation and financial reports must be lodged with the Fair Work Commission until the ROC is established. Once the ROC is established, they must be lodged with the ROC.

It is not yet known when in 2017 the ROC will be established. The Fair Work Commission will be providing information on the transition to the ROC through its subscription service and its website. For details about the subscription service, go to [Subscriptions](#) and subscribe to the Registered organisations information service.

Where to lodge Statements of Loans Grants and Donations and Financial Reports

	Before the ROC is established	From establishment of the ROC
Where to lodge	Lodge your statement of loans grants donations and your financial report with the Fair Work Commission	Lodge your statement of loans grants donations and your financial report and with the ROC
How to lodge	The easiest way to lodge is via email: orgs@fwc.gov.au	Lodgement methods are not yet known

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Our focus this year: timelines and disclosure of loans, grants and donations

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

Timelines

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

As stated above, section 237 requires the loans, grants and donations statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 31 March 2017. A sample statement of loans, grants or donations is available at [sample documents](#).

Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission (FWC) website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statements, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Running a Registered Organisation section.

Civil penalties may apply

It should be noted that s.268 and s.237 are civil penalty provisions. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

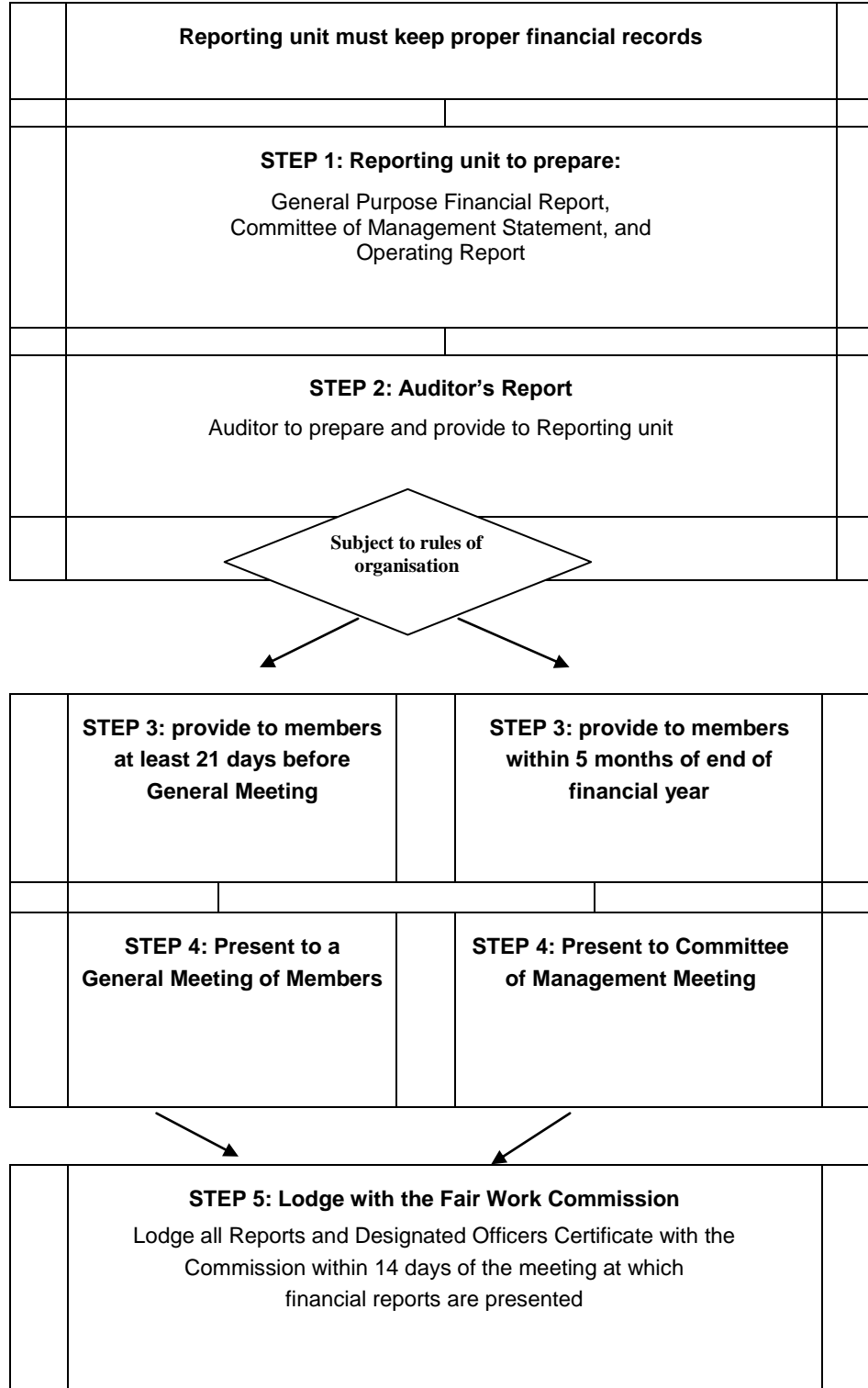


Marianne Kay
Adviser
Regulatory Compliance Branch

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

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



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:







- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on orgs@fwc.gov.au