



FAIR WORK
AUSTRALIA

21 May 2012

Mr David Hanna
Secretary, Queensland Builders' Labourers Divisional Branch
Construction, Forestry, Mining and Energy Union
Level 2, 366 Upper Roma Street
BRISBANE QLD 4000

Dear Mr Hanna



Lodgment of Financial Accounts and Statements - Construction, Forestry, Mining and Energy Union, Construction and General Division, Queensland Builders' Labourers Divisional Branch - for year ending 31 December 2011 (FR2011/2852)

Thank you for lodging the abovementioned financial accounts and statements which were received by Fair Work Australia on 17 May 2011.

The documents have been filed.

Yours sincerely,

Stephen Kellett
Organisations, Research and Advice Branch
Fair Work Australia



**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
QUEENSLAND BUILDERS LABOURERS
DIVISIONAL BRANCH**

Financial Statements

For the year ended 31 December 2011

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CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
QUEENSLAND BUILDERS LABOURERS
DIVISIONAL BRANCH

**Certificate by State Secretary
For the year ended 31 December 2011**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 section 268 (c), I, David Hanna, certify that the attached copies of reports are copies of the documents that were provided to members on 12TH APRIL 2012 and presented to a meeting of Management Committee on 8TH MAY 2012. in accordance with section 266 of the Act.



David Hanna
State Secretary
Construction, Forestry, Mining & Energy Union
Queensland Builders Labourers Divisional Branch

Date: 08/05/2012

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
QUEENSLAND BUILDERS LABOURERS
DIVISIONAL BRANCH

Operating Report
For the year ended 31 December 2011

The Committee of Management presents the Operating Report for the financial year ended 31 December 2011:

Principal Activities

The principal activities of the Union during the year were providing industrial relations and other related services to members.

The results of those activities are continually ongoing.

There were no significant changes to the nature of those activities during the year.

Financial Affairs

There were no significant changes to the Union's financial affairs during the year.

Members' Rights

Members have the right to resign from the Union in accordance with section 174 of the Fair Work (Registered Organisations) Act 2009.

Superannuation Fund Trustees

No officers or members were trustees, or directors of a trustee company, of a Superannuation Fund as a consequence of their position with the Union:

Number of Members

The number of members at the end of the financial year recorded in the register of members and taken to be members of the Union was 3473 financial members.

Number of Employees

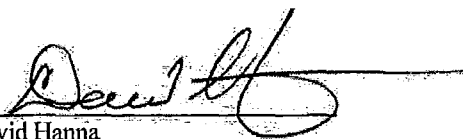
The number of full-time equivalent employees of the Union at the end of the financial year was 16.

Committee of Management

The members of the Committee of Management at any time during the financial year were as follows:

| | |
|------------------|----------------|
| Bland, Edward | Jarvis, Tim |
| Ezzy, Dallas | Kupsch, Royce |
| Fissenden, James | Maher, Pat |
| Griffin, Kevin | Pearson, Kane |
| Hanna, David | Stott, Anthony |
| Heenan, Kevin | Williams, Bob |

Signed on behalf of the Committee of Management by:



David Hanna

State Secretary

Construction, Forestry, Mining & Energy Union
Queensland Builders Labourers Divisional Branch

Date: 28TH MARCH 2012

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
QUEENSLAND BUILDERS LABOURERS
DIVISIONAL BRANCH

Income Statement
For the year ended 31 December 2011

| | Note | 2011 \$ | 2010 \$ |
|---|------|------------------|------------------|
| REVENUE | | | |
| Contributions | | 2 370 814 | 2 150 085 |
| Fighting fund | | 165 566 | 148 072 |
| Entrance fees | | 62 645 | 51 813 |
| Traineeship fund - recoveries | | 320 000 | 310 000 |
| Health & safety officer grant | | 160 000 | 160 000 |
| Compliance income | | 152 000 | 94 000 |
| BLF Charity Foundation - recoveries | | 55 000 | 50 000 |
| Attendance fees | | - | 51 882 |
| Consultancy income | | - | 14 995 |
| Enterprise agreements | | 52 936 | 6 143 |
| Interest | | 233 955 | 219 688 |
| Journal advertising | | 57 364 | 43 448 |
| Rent received | | 176 018 | 88 202 |
| Sale of merchandise | | 2 538 | 11 571 |
| Sponsorship | | 80 864 | 99 000 |
| Referral agreement | | 100 000 | 29 000 |
| Sundry income | | 2 823 | 8 762 |
| Traineeship fund - grant | | 650 263 | 565 081 |
| | | <u>4 642 786</u> | <u>4 101 742</u> |
| Total revenue | | | |
| EXPENDITURE | | | |
| Affiliation fees | | 31 383 | 31 050 |
| Auditors' remuneration - audit services | | 26 900 | 25 800 |
| Auditors' remuneration - other services | | 1 800 | 1 800 |
| Bank fees | | 28 011 | 28 225 |
| BBQ expenses | | 5 039 | 3 057 |
| CIPS | | 13 148 | 13 409 |
| Clothing & uniform expenses | | 29 573 | 37 784 |
| Commission - delegates | | 4 605 | 4 565 |
| Computer expenses | | 28 965 | 29 950 |
| Cordell reports | | 4 018 | 3 865 |
| Depreciation | | 196 247 | 192 861 |
| Donations - political | | 1 000 | 440 |
| Executive attendance | | 12 780 | 10 940 |
| Federal Council Attendance | | 2 800 | - |
| Fighting fund expenses | | 143 672 | 48 424 |
| Fringe benefits tax | | 14 691 | 16 619 |
| Industrial relations expenses | | 9 684 | 4 055 |
| Insurance - general | | 3 393 | 707 |

The accompanying notes form part of these financial statements

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
QUEENSLAND BUILDERS LABOURERS
DIVISIONAL BRANCH

Income Statement
For the year ended 31 December 2011

| | Note | 2011 \$ | 2010 \$ |
|--|------|-----------------------|----------------------|
| Expenditure (cont'd) | | | |
| Journal expenses | | 52 465 | 43 419 |
| Leave - annual leave | | 14 645 | (100 623) |
| Leave - long service | | 67 561 | (332 226) |
| Labour day expenses | | 19 918 | 53 100 |
| Legal fees | | 4 726 | 35 264 |
| Legal penalties and settlements | | (14 747) | 80 000 |
| Meeting expenses | | 61 107 | 54 318 |
| Office administration | | 14 125 | 20 417 |
| Office equipment rent and repairs | | 42 577 | 36 564 |
| Payroll tax | | 56 286 | 91 822 |
| Postage | | 18 894 | 19 292 |
| Printing & stationery | | 29 526 | 30 529 |
| Promotions | | 19 198 | 32 470 |
| 100 Year celebrations | | - | 72 432 |
| Rates, body corp & maintenance - storage shed | | 4 890 | 4 035 |
| Rates, body corp & maintenance - investment properties | | 77 552 | 57 630 |
| Rent & maintenance - Brisbane office | | 73 471 | 58 969 |
| Rent & maintenance - Townsville | | 3 800 | - |
| Salaries - officials | | 1 214 212 | 1 464 426 |
| Salaries - others | | 390 343 | 381 628 |
| Superannuation - officials | | 262 059 | 342 661 |
| Superannuation - others | | 51 465 | 53 760 |
| Staff training | | 12 126 | 7 817 |
| Sundry expenses | | 7 549 | 11 642 |
| Sustentation fees - CFMEU National Office | | 197 736 | 181 009 |
| Telephone & communication | | 61 418 | 64 345 |
| Traineeship fund expenses | | 650 263 | 565 081 |
| Travel & accomodation | | 105 866 | 111 580 |
| T-shirts & merchandise | | - | 7 352 |
| Vehicle running costs | | 143 894 | 115 000 |
| Veterans expenses | | 5 150 | 4 784 |
| Workers' general insurance | | 18 606 | 11 366 |
| Total expenses | | <u>4 224 390</u> | <u>4 033 414</u> |
| Surplus (deficit) before income tax | | 418 396 | 68 328 |
| Income tax expense | 2 | <u>-</u> | <u>-</u> |
| Surplus (deficit) for the year | | <u>418 396</u> | <u>68 328</u> |

The accompanying notes form part of these financial statements

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
 QUEENSLAND BUILDERS LABOURERS
 DIVISIONAL BRANCH

Income Statement
For the year ended 31 December 2011

| | Note | 2011 \$ | 2010 \$ |
|---|------|----------------|-----------------|
| Other comprehensive income: | | | |
| Revaluation land and buildings increment | | - | - |
| Gain in value of investment properties | 7 | - | - |
| Profit (loss) on disposal of investments | | 1 200 | (5 995) |
| Profit (loss) on disposal of plant & equipment | | 24 532 | 2 228 |
| Loss in value of investments | | (19 808) | - |
| Provision for redundancy | | <u>(7 490)</u> | <u>(13 000)</u> |
| Other comprehensive income (deficit) for the year | | <u>(1 566)</u> | <u>(16 767)</u> |
| | | | |
| Total comprehensive surplus (deficit) attributable to the Union | | <u>416 830</u> | <u>51 561</u> |

The accompanying notes form part of these financial statements

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
QUEENSLAND BUILDERS LABOURERS
DIVISIONAL BRANCH

Balance Sheet
As at 31 December 2011

| | Note | 2011 \$ | 2010 \$ |
|--------------------------------------|------|-------------------------|-------------------------|
| Current Assets | | | |
| Cash and cash equivalents | 3 | 2 125 905 | 1 495 903 |
| Financial assets | 4 | 291 225 | 94 820 |
| Trade and other receivables | 5 | 55 872 | 38 030 |
| Prepayments | | <u>26 600</u> | <u>20 889</u> |
| Total current assets | | <u>2 499 602</u> | <u>1 649 642</u> |
| Non-Current Assets | | | |
| Financial assets | 4 | 2 016 520 | 2 272 471 |
| Investment property | 7 | 670 000 | 670 000 |
| Property, plant and equipment | 6 | <u>3 021 014</u> | <u>2 999 866</u> |
| Total non-current assets | | <u>5 707 534</u> | <u>5 942 337</u> |
| Total Assets | | <u>8 207 136</u> | <u>7 591 979</u> |
| Current Liabilities | | | |
| Trade and other payables | 8 | 243 415 | 446 060 |
| Short-term provisions | 9 | 310 144 | 291 681 |
| Income received in advance | 10 | 1 091 328 | 891 418 |
| Special funds | 11 | <u>136 115</u> | <u>24 748</u> |
| Total current liabilities | | <u>1 781 002</u> | <u>1 653 907</u> |
| Non-Current Liabilities | | | |
| Long-term provisions | 9 | <u>412 343</u> | <u>341 111</u> |
| Total non-current liabilities | | <u>412 343</u> | <u>341 111</u> |
| Total Liabilities | | <u>2 193 345</u> | <u>1 995 018</u> |
| Net Assets | | <u>6 013 791</u> | <u>5 596 961</u> |
| Equity | | | |
| Reserves | 12 | 823 339 | 823 339 |
| Retained earnings | | <u>5 190 452</u> | <u>4 773 622</u> |
| Total Equity | | <u>6 013 791</u> | <u>5 596 961</u> |

The accompanying notes form part of these financial statements.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
 QUEENSLAND BUILDERS LABOURERS
 DIVISIONAL BRANCH

Statement of Changes in Equity
For the year ended 31 December 2011

| | Retained Earnings | | Asset | Total |
|---|-------------------|------------------|------------------------|-----------|
| | General Fund | Fighting Fund | Revaluation Reserve | |
| Note | \$ | \$ | \$ | \$ |
| Balance at 1 January 2010 | 4 162 958 | 559 103 | 823 339 | 5 545 400 |
| Surplus (deficit) for the year | (31 320) | 99 648 | - | 68 328 |
| Other comprehensive income for the year | (16 767) | - | - | (16 767) |
| Revaluation increment (decrement) | - | - | - | 0 |
| Balance at 31 December 2010 | 4 114 871 | 658 751 | 823 339 | 5 596 961 |
| Surplus (deficit) for the year | 396 502 | 21 894 | - | 418 396 |
| Other comprehensive income for the year | (1 566) | - | - | (1 566) |
| Revaluation increment (decrement) | - | - | - | 0 |
| Balance at 31 December 2011 | 4 509 807 | 680 645 | 823 339 | 6 013 791 |

The accompanying notes form part of these financial statements

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
QUEENSLAND BUILDERS LABOURERS
DIVISIONAL BRANCH

Cash Flow Statement
For the year ended 31 December 2011

| | Note | 2011 \$ | 2010 \$ |
|---|------|------------------|------------------|
| Cash Flows from Operating Activities | | | |
| Receipts from members | | 2 858 926 | 2 584 967 |
| Grants received | | 1 111 190 | 1 067 000 |
| Interest received | | 229 017 | 222 429 |
| Other investment income received | | 93 330 | 88 202 |
| Wage claim receipts | | 538 719 | 124 792 |
| Other sundry receipts | | 597 088 | 476 053 |
| Receipts from CFMEU C & G Qld | | 2 079 | 4 537 |
| Receipts from CFMEU National Office | | 14 100 | - |
| Receipts from CFMEU C & G WA | | 3 138 | 505 |
| | | | |
| Payments to suppliers and employees | | (3 931 682) | (3 964 843) |
| Payments to CFMEU C & G Qld | | (62 990) | (36 905) |
| Payments to CFMEU National Office | | (261 794) | (207 818) |
| Payments to CFMEU C & G WA | | (1 650) | - |
| Wage claim payments for members | | (427 352) | (100 369) |
| Net cash provided (used) by operating activities | | <u>762 119</u> | <u>258 550</u> |
| | | | |
| Cash Flows from Investing Activities | | | |
| Purchase of property, plant & equipment | | (318 318) | (1 311 920) |
| Net proceeds (purchase) of investments | | 60 746 | 684 515 |
| Proceeds from sale of property, plant & equipment | | 125 455 | 51 728 |
| Net cash provided (used) by investing activities | | <u>(132 117)</u> | <u>(575 677)</u> |
| | | | |
| Cash Flows from Financing Activities | | | |
| Repayment of loans to others | | - | - |
| Net cash provided (used) by financing activities | | <u>0</u> | <u>0</u> |
| | | | |
| Net increase (decrease) in cash held | | 630 002 | (317 127) |
| | | | |
| Cash at the beginning of the year | | 1 495 903 | 1 813 030 |
| | | | |
| Cash at the end of the year | 3 | <u>2 125 905</u> | <u>1 495 903</u> |

The accompanying notes form part of these financial statements.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
QUEENSLAND BUILDERS LABOURERS
DIVISIONAL BRANCH

Recovery of Wages Activity Report - Cash Basis
For the year ended 31 December 2011

| | Note | 2011 | | 2010 | |
|---|------|---------------------------|----------------|---------------------------|----------------|
| | | <u>No. of workers</u> | <u>\$</u> | <u>No. of workers</u> | <u>\$</u> |
| Cash assets in respect of recovered money at the beginning of the year | | | 25 179 | | 826 |
| Receipts | | | | | |
| Amounts recovered from employers in respect of wages etc | | 205 | 538 719 | 25 | 124 792 |
| Interest received on recovered money | | | 3 | | 1 |
| Reimburse wages fund float | | | - | | - |
| Total receipts | | | <u>538 722</u> | | <u>124 793</u> |
| Payments | | | | | |
| Deductions of amounts due in respect of membership for: | | | | | |
| 12 months or less | | | 1 663 | | 645 |
| greater than 12 months | | | - | | - |
| Deductions of donations or other contributions to accounts or funds of: | | | | | |
| other entities: | | | | | |
| - BUSSQ | | | 24 748 | | 69 558 |
| - BERT | | | - | | - |
| - CIPQ | | | - | | - |
| - BEWT | | | - | | - |
| Deductions of fees or reimbursements of expenses | | | | | |
| Payments to workers in respect of recovered money | | | 400 941 | | 30 166 |
| Bank fees | | | 5 | | 71 |
| Total payments | | | <u>427 357</u> | | <u>100 440</u> |
| Cash assets in respect of recovered money at the end of the year | 3 | | <u>136 544</u> | | <u>25 179</u> |
| Amounts recovered but not yet paid to workers | 11 | 93 | 136 115 | 6 | 24 748 |

The accompanying notes form part of these financial statements.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
QUEENSLAND BUILDERS LABOURERS
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Notes to the Financial Statements
For the year ended 31 December 2011

Note 1: Information to be Provided to Members

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of section 272 which reads as follows:

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

Note 2: Summary of Significant Accounting Policies

The financial statements cover the Construction, Forestry, Mining & Energy Union Queensland Builders Labourers Divisional Branch as an individual reporting unit.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, Australian Accounting Interpretations and the requirements of the Fair Work (Registered Organisations) Act 2009.

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

The financial statements have been prepared on a modified accruals basis where:

- in accordance with section 252(4) of the Fair Work (Registered Organisations) Act 2009, membership subscriptions are kept on a cash basis, and
- in accordance with paragraph 19 of the Reporting Guidelines for the purposes of section 253 of the Act, the Recovery of Wages Activity Report is prepared under the cash basis of accounting.

The financial statements are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) Income Tax

No provision for income tax is necessary as trade unions are exempt from income tax under Section 50-15 of the Income Tax assessment Act 1997.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
QUEENSLAND BUILDERS LABOURERS
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Notes to the Financial Statements
For the year ended 31 December 2011

Note 2: Summary of Significant Accounting Policies (cont'd)

(b) Property, Plant and Equipment

Property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

In accordance with Queensland legislation (Schedule 3 of the Industrial Relations Regulations 2011) revaluations of assets are shown as income.

Property

Land and buildings are shown at their fair value less subsequent depreciation for buildings. Investment properties are not depreciated.

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 the Union's management to ensure it is not in excess of the recoverable amount from these assets.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the Union commencing from the time the asset is held ready for use.

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

| Fixed Asset | Rate |
|--------------------------------|-------------|
| Buildings | 4% |
| Motor Vehicles | 25% |
| Computer Equipment | 30% |
| Furniture and Office Equipment | 10% |

(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, are transferred to the Union, 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 asset or the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Union will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
QUEENSLAND BUILDERS LABOURERS
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**Notes to the Financial Statements
For the year ended 31 December 2011**

Note 2: Summary of Significant Accounting Policies (cont'd)

(d) Financial Instruments

Initial Recognition and Measurement

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

Classification and Subsequent Measurement:

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.

Held to maturity investments

These investments have fixed maturities, and it is the Union's intention to hold these investments to maturity. Any held to maturity investments held by the Union are stated at amortised cost using the effective interest rate method.

Available for sale financial assets

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

Financial assets at fair value

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

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal repayments and amortisation.

Fair value

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

Impairment

At each reporting date, the Union assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
QUEENSLAND BUILDERS LABOURERS
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Notes to the Financial Statements
For the year ended 31 December 2011

Note 2: Summary of Significant Accounting Policies (cont'd)

(e) 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.

(f) Impairment of Assets

At each reporting date, the Union reviews the carrying values of its 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 its depreciated replacement value, 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.

(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 have been measured at the amount expected to be paid when the liability is settled, plus related on-costs. 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) 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.

(i) 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.

(j) Comparative Figures

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

Key accounting estimates and judgements

The Union evaluates estimates and judgments 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.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
QUEENSLAND BUILDERS LABOURERS
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Notes to the Financial Statements
For the year ended 31 December 2011

Note 2: Summary of Significant Accounting Policies (cont'd)

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.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
QUEENSLAND BUILDERS LABOURERS
DIVISIONAL BRANCH

Notes to the Financial Statements
For the year ended 31 December 2011

| | Note | 2011 | 2010 |
|---|------|------------------|------------------|
| | | \$ | \$ |
| Note 3: Cash Assets | | | |
| Cash on hand | | 1 000 | 1 000 |
| Bank a/c - general account | | 398 114 | 337 805 |
| Bank a/c - recovery of wages account | | 145 975 | 25 179 |
| Bank a/c - traineeship fund cheque account | | 59 731 | 41 182 |
| Bank a/c - traineeship fund online saver account | | 367 273 | 1 011 344 |
| Short-term bank deposits maturing in less than 3 months | | 1 153 812 | 79 393 |
| | | <u>2 125 905</u> | <u>1 495 903</u> |
| Reconciliation of cash: | | | |
| Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows: | | | |
| Cash and cash equivalents | | <u>2 125 905</u> | <u>1 495 903</u> |
| | | <u>2 125 905</u> | <u>1 495 903</u> |
| Note 4: Financial Assets | | | |
| CURRENT | | | |
| Held to maturity investments: | | | |
| Term deposits maturing between 3 to 12 months | | <u>286 225</u> | <u>20 000</u> |
| Financial assets at fair value: | | | |
| Debentures/Notes maturing between 3 to 12 months | | <u>5 000</u> | <u>74 820</u> |
| Total current financial assets | | <u>291 225</u> | <u>94 820</u> |
| NON-CURRENT | | | |
| Held to maturity investments: | | | |
| Notes and deposits | | <u>1 991 045</u> | <u>2 266 300</u> |
| Available for sale financial assets: | | | |
| Union House Partnership at fair value | | 25 474 | 6 170 |
| Shares in CSTC Pty Ltd at fair value | | 1 | 1 |
| | | <u>25 475</u> | <u>6 171</u> |
| Total non-current financial assets | | <u>2 016 520</u> | <u>2 272 471</u> |

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
QUEENSLAND BUILDERS LABOURERS
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Notes to the Financial Statements
For the year ended 31 December 2011

| | Note | 2011 | 2010 |
|--|------|------------------|------------------|
| | | \$ | \$ |
| Note 5: Receivables | | | |
| Accrued income | | 29 770 | 24 832 |
| Trade receivables | | 26 102 | 13 198 |
| CFMEU C & G | | - | - |
| | | <u>55 872</u> | <u>38 030</u> |
| Note 6: Property, Plant and Equipment | | | |
| Land and Buildings | | | |
| Union House Brisbane (1/3 share): | | | |
| Union House Brisbane (1/6 share) - at independent valuation 2008 | | 1 183 333 | 1 183 333 |
| Union House Brisbane (1/6 share) - at cost 2010 | | 1 157 079 | 1 157 079 |
| Additions at cost | | - | - |
| Accumulated depreciation | | (121 186) | (67 009) |
| | | <u>2 219 226</u> | <u>2 273 403</u> |
| Storage Shed - at management valuation 2009 | | | |
| | | 220 000 | 220 000 |
| Additions at cost | | - | - |
| Accumulated depreciation | | (17 600) | (8 776) |
| | | <u>202 400</u> | <u>211 224</u> |
| Total land and buildings | | | |
| | | <u>2 421 626</u> | <u>2 484 627</u> |
| Motor Vehicles - at cost | | | |
| | | 429 346 | 449 203 |
| Accumulated depreciation | | (114 920) | (159 900) |
| | | <u>314 426</u> | <u>289 303</u> |
| Plant & Equipment | | | |
| | | 457 582 | 369 414 |
| Accumulated depreciation | | (172 620) | (143 478) |
| | | <u>284 962</u> | <u>225 936</u> |
| Total property, plant and equipment | | | |
| | | <u>3 021 014</u> | <u>2 999 866</u> |

Revaluations of land and buildings are made on the basis of open market value. Surplus on revaluation is credited to the asset revaluation reserve.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
QUEENSLAND BUILDERS LABOURERS
DIVISIONAL BRANCH

Notes to the Financial Statements
For the year ended 31 December 2011

| | Note | 2011 | 2010 | |
|---|-----------------------|-------------------|------------------------|------------------|
| | | \$ | \$ | |
| Note 6: Property, Plant and Equipment (cont'd) | | | | |
| Movements in Carrying Amounts | | | | |
| Movement in the carrying amounts between the beginning and the end of the current financial year: | | | | |
| | Land and buildings | Motor vehicles | Plant and equipment | Total |
| | \$ | \$ | \$ | \$ |
| Balance at start of year | 2 484 627 | 289 303 | 225 936 | 2 999 866 |
| Additions | - | 219 755 | 98 563 | 318 318 |
| Disposals (wdv) | - | (100 923) | - | (100 923) |
| Revaluation increments (decrements) | - | - | - | 0 |
| Depreciation expense | (63 001) | (93 709) | (39 537) | (196 247) |
| Carrying amount at end of year | <u>2 421 626</u> | <u>314 426</u> | <u>284 962</u> | <u>3 021 014</u> |

| | Note | 2011 | 2010 |
|------------------------------------|------|----------------|----------------|
| | | \$ | \$ |
| Note 7: Investment Property | | | |
| Balance at beginning of year | | 670 000 | 670 000 |
| Acquisitions | | - | - |
| Disposals | | - | - |
| Fair value adjustments | | - | - |
| Balance at end of year | | <u>670 000</u> | <u>670 000</u> |

The fair value model is applied to all investment property.
Management valuations are prepared at each balance date where an independent valuation has not been obtained.

| | | | |
|---|--|----------------|----------------|
| Note 8: Trade and Other Payables | | | |
| Trade payables | | 226 244 | 386 437 |
| CFMEU C & G Qld | | - | - |
| CFMEU National Office | | 17 171 | 59 623 |
| Legal | | - | - |
| | | <u>243 415</u> | <u>446 060</u> |
| Classified as: | | | |
| Financial liabilities at amortised cost | | <u>243 415</u> | <u>446 060</u> |

| | | | |
|---------------------------|--|----------------|----------------|
| Note 9: Provisions | | | |
| Employee entitlements | | 644 997 | 562 792 |
| Redundancy | | 77 490 | 70 000 |
| | | <u>722 487</u> | <u>632 792</u> |

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
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Notes to the Financial Statements
For the year ended 31 December 2011

| | Note | 2011 \$ | 2010 \$ |
|---|------|------------|------------|
| Note 9: Provisions (cont'd) | | | |
| Current | | 310 144 | 291 681 |
| Non-current | | 412 343 | 341 111 |
| | | 722 487 | 632 792 |
| Employee entitlements: | | | |
| Opening balance at start of year | | 562 792 | 995 640 |
| Additional provisions raised during year | | 133 354 | (24 644) |
| Amounts used | | (51 149) | (408 204) |
| Balance at end of year | | 644 997 | 562 792 |
| Analysis of employee entitlements: | | | |
| Current | | 310 144 | 291 681 |
| Non-current | | 334 853 | 271 111 |
| | | 644 997 | 562 792 |
| Officials | | 500 008 | 438 734 |
| Others | | 144 989 | 124 058 |
| | | 644 997 | 562 792 |

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. 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 measurement and recognition criteria for employee benefits has been included in note 2.

| | | | |
|--|--|--------|---------|
| Redundancy: | | | |
| Opening balance at start of year | | 70 000 | 57 000 |
| Additional provisions raised during year | | 7 490 | 18 055 |
| Amounts used | | - | (5 055) |
| Balance at end of year | | 77 490 | 70 000 |
| Analysis of redundancy: | | | |
| Current | | - | - |
| Non-current | | 77 490 | 70 000 |
| | | 77 490 | 70 000 |

A provision has been recognised for redundancy relating to entitlements of office staff.

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Notes to the Financial Statements
For the year ended 31 December 2011

| | Note | 2011 \$ | 2010 \$ |
|--|------|------------------|----------------|
| Note 10: Income Received in Advance | | | |
| Traineeship fund | | <u>1 091 328</u> | <u>891 418</u> |
| Note 11: Special Funds | | | |
| Recovery of wages fund | | <u>136 115</u> | <u>24 748</u> |
| | | <u>136 115</u> | <u>24 748</u> |

Note 12: Reserves

The asset revaluation reserve records revaluations of non-current assets.

Note 13: Contingent Liabilities

There are no known contingent liabilities of a significant nature at balance date.

Note 14: Events After the Reporting Period

There have been no significant events occurring after the end of the financial year.

Note 15: Cash Flow Statement Information

(a) There were no non-cash financing or investing activities during the year.

(b) The union has no credit stand-by arrangement or loan facilities.

Note 16: Financial Risk Management

The Union's financial instruments are listed below.

FINANCIAL ASSETS

| | | |
|--|------------------|------------------|
| Cash and bank | 972 093 | 1 416 510 |
| Term deposits | 1 440 037 | 366 893 |
| Floating rate deposits, notes and debentures | 1 996 045 | 2 073 620 |
| Loans | - | - |
| | <u>4 408 175</u> | <u>3 857 023</u> |

Its exposure to interest rate risk is that a financial instrument's value may fluctuate as a result of changes in market interest rates.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
QUEENSLAND BUILDERS LABOURERS
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**Committee of Management Statement
For the year ended 31 December 2011**

(Fair Work (Registered Organisations) Act 2009 Cwth)

In accordance with a resolution passed by the Committee of Management of the Construction, Forestry, Mining & Energy Union Queensland Builders Labourers Divisional Branch on 28th MARCH 2012, the Committee declares that in their opinion:

- (a) The financial statements and notes comply with Australian Accounting Standards.
- (b) The financial statements and notes comply with the reporting guidelines of Fair Work Australia.
- (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 general purpose financial report relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and Regulations; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation, and
 - (v) any information sought in any request of a member of the reporting unit or of Fair Work Australia duly made under section 272 has been furnished to the member or to Fair Work Australia; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273.
- (f) in relation to recovery of wages activity:
 - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of Fair Work Australia; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
 - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

Signed on behalf of the Committee of Management by:



David Hanna
State Secretary

Construction, Forestry, Mining & Energy Union Queensland Builders Labourers Divisional Branch

Date: 28/03/2012

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
QUEENSLAND BUILDERS LABOURERS
DIVISIONAL BRANCH

**Independent Auditor's Report
to the Members**

Report on the Financial Report

We have audited the accompanying financial report of the Construction, Forestry, Mining & Energy Union Queensland Builders Labourers Divisional Branch which comprises the balance sheet as at 31 December 2011, income statement, statement of changes in equity, cash flow statement, and recovery of wages activity report for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

Committee of Management's Responsibility for the Financial Report

The committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

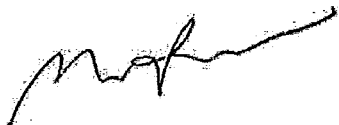
Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's opinion

In our opinion, the financial report:

- (a) presents fairly, in all material respects, in accordance with applicable Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations), and the Fair Work (Registered Organisations) Act 2009 including the Reporting Guidelines of Fair Work Australia and Part 3 of Chapter 8 of the Act, the financial position of the Construction, Forestry, Mining & Energy Union Queensland Builders Labourers Divisional Branch as at 31 December 2011 and its financial performance and its cash flows for the year then ended; and
- (b) reports properly and fairly:
 - (1) any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
 - (2) any donations or other contributions deducted from recovered money.



Michael Rice
Michael Rice & Associates
Certified Practising Accountants

Brisbane
10 April 2012