

6 September 2013

Mr David Hanna
Secretary, Queensland Builders' Labourers Divisional Branch
CFMEU
Level 2, 366 Upper Roma Street
BRISBANE QLD 4000



Dear Mr Hanna,

Re: Lodgement of financial statements and accounts - Construction, Forestry, Mining & Energy Union, Queensland Builders' Labourers Divisional Branch - for year ended 31 December 2012 (FR2012/542)

I refer to the above financial statements and accounts which were lodged with the Fair Work Commission on 21 May 2013.

I have filed the documents. However the correct interpretation of the requirement relating to the reporting of membership subscription income has come to my attention and I must explain this requirement. I appreciate that this has not been clarified for the Branch in previous years and that the wording of the Act may give rise to misunderstanding.

Note 2 Basis of Preparation of the report states that *"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"*. This note is consistent with previous years.

The Act makes a distinction between (i) keeping records and (ii) preparing reports. Section 252(4) permits financial records of membership contributions to be *kept* on a cash basis, but section 253(1) requires *"...a reporting unit must cause a general purpose financial report to be prepared in accordance with the Australian Accounting Standards..."*The relevant Standard is AASB 101, which provides *"An entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting"*.

Thus, if membership subscription records are kept through the year on a cash basis, as permitted by section 252(4), appropriate adjustment may be necessary to comply with section 253(1) and AASB 101.

New Reporting Guidelines were issued on 26 June 2013, which replace the previous version of the Guidelines issued in 2003. I attach a copy and encourage you to read them closely and to contact me on (02) 6723 7237 if you have any queries about the financial reporting requirements.

Yours sincerely



Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

Terrace Towers
80 William Street
East Sydney NSW 2011
Telephone: (02) 8374 6666
International: (612) 8374 6666
Facsimile: (02) 9380 6990
Email: sydney@fwc.gov.au

From: KELLETT, Stephen
To: ["jmurgic@fed.cfmeu.asn.au"](mailto:jmurgic@fed.cfmeu.asn.au)
Subject: Attention Mr David Hanna - Financial return y/e 31 Dec 2012 - filing
Date: Friday, 6 September 2013 9:21:00 AM
Attachments: [CFMEU BOLD FR2012 542 \(final\).pdf](#)
[CFMEU BOLD FR2012 542 \(auditor\).pdf](#)
[fr guidelines 253 2013.pdf](#)

Dear Ms Murgic,

Please see attached my letter to Mr Hanna in relation to the above, and attachments.

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6723 7237
(email) stephen.kellett@fwc.gov.au

From: KELLETT, Stephen
To: ["mrice@mraa.com.au"](mailto:mrice@mraa.com.au)
Subject: Attention Mr Michael Rice - re Financial return y/e 31 Dec 2012 Queensland Builders Labourers Divisional Branch - filing
Date: Friday, 6 September 2013 9:43:00 AM
Attachments: [CFMEU_BOLD_FR2012_542 \(auditor\).pdf](#)
[fr_guidelines_253_2013.pdf](#)
[CFMEU_BOLD_FR2012_542 \(final\).pdf](#)

Dear Mr Rice,

Please see attached my letter in relation to the above, and attachments.

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6723 7237
(email) stephen.kellett@fwc.gov.au



FAIR WORK
COMMISSION

6 September 2013

Mr Michael Rice
Michael Rice & Associates
46 Prospect Street
FORTITUDE VALLEY QLD 4006

Dear Mr Rice,

Re: Lodgement of financial statements and accounts - Construction, Forestry, Mining & Energy Union, Queensland Builders' Labourers Divisional Branch - for year ended 31 December 2012 (FR2012/542)

I refer to the above financial statements and accounts which were lodged with the Fair Work Commission on 21 May 2013. This is a courtesy letter to advise you I have filed the documents.

I enclose a copy of my letter to the Secretary of the Branch and a copy of the new Reporting Guidelines which replace those previously issued in 2003, for your information. They contain several additional specific requirements or standards generally but I draw your particular attention to paragraphs 44 and 45.

I also wish to clarify an additional interpretation and expectation by FWC in relation to the form and content of the Auditor Report.

The requirement of paragraph 23 of Australian Auditing Standard ASA 700 that the introductory paragraph in an auditor's report "*identify the title of each statement that comprises the financial report*" means FWC expects this to include the Committee of Management statement since subsection 253(2)(c) includes this and "any other reports and statements required by the reporting guidelines" in the general purpose financial report.

Please do not hesitate to contact me on (02) 6723 7237 if you have any queries at any stage about the financial reporting requirements for future reports.

Yours sincerely


Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

cc. Mr David Hanna

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

**Certificate by State Secretary
For the year ended 31 December 2012**

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 10TH APRIL 2013 and presented to a meeting of Management Committee on 14TH MAY 2013 in accordance with section 266 of the Act.



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

Date: 14/05/2013

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

Financial Statements

For the year ended 31 December 2012

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

Operating Report
For the year ended 31 December 2012

The Committee of Management presents the Operating Report for the financial year ended 31 December 2012:

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 3258 financial members.

Number of Employees

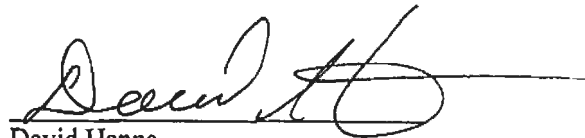
The number of full-time equivalent employees of the Union at the end of the financial year was 18.

Committee of Management

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

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

Signed on behalf of the Committee of Management by:



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

Date: 26/03/2013

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

Income Statement
For the year ended 31 December 2012

	Note	2012 \$	2011 \$
REVENUE			
Contributions		2,315,850	2,370,814
Fighting fund		173,932	165,566
Entrance fees		62,830	62,645
Traineeship fund - recoveries		402,000	320,000
Health & safety officer grant		160,000	160,000
Compliance income		149,472	152,000
Industry Mentor Program grant		150,000	-
BLF Charity Foundation - recoveries		60,000	55,000
Enterprise agreements		66,145	52,936
Interest		217,013	233,955
Journal advertising		46,905	57,364
Rent received		103,818	176,018
Sponsorship		154,750	80,864
Referral agreement		-	100,000
Sundry income		256,383	5,361
Traineeship fund - grant		673,586	650,263
Total revenue		4,992,684	4,642,786
EXPENDITURE			
Affiliation fees		33,249	31,383
Auditors' remuneration - audit services		28,300	26,900
Auditors' remuneration - other services		1,800	1,800
Bank fees		29,364	28,011
BBQ expenses		2,741	5,039
CIPS		15,501	13,148
Clothing & uniform expenses		40,235	29,573
Commission - delegates		3,905	4,605
Computer expenses		14,896	28,965
Cordell reports		(2,008)	4,018
Depreciation		264,288	196,247
Donations - political		-	1,000
Executive attendance		13,680	12,780
Federal Council Attendance		-	2,800
Fighting fund expenses		290,660	143,672
Fringe benefits tax		22,344	14,691
Industrial relations expenses		14,013	9,684
Insurance - general		3,337	3,393
Journal expenses		50,437	52,465

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 2012

	Note	2012 \$	2011 \$
Expenditure (cont'd)			
Leave - annual leave		17,111	14,645
Leave - long service		56,455	67,561
Labour day expenses		62,644	19,918
Legal fees		38,270	4,726
Legal penalties and settlements		305,444	(14,747)
Meeting expenses		33,448	61,107
Office administration		15,070	14,125
Office equipment rent and repairs		36,107	42,577
Payroll tax		83,295	56,286
Postage		22,873	18,894
Printing & stationery		29,371	29,526
Promotions		40,335	19,198
Rates, body corp & maintenance - storage shed		4,766	4,890
Rates, body corp & maintenance - investment properties		89,118	81,352
Rent & maintenance - Brisbane office		105,336	73,471
Salaries - officials		1,234,662	1,214,212
Salaries - others		438,505	390,343
Superannuation - officials		262,347	262,059
Superannuation - others		62,341	51,465
Staff training		4,595	12,126
Sundry expenses		29,050	7,549
Sustentation fees - CFMEU National Office		193,353	197,736
Telephone & communication		47,552	61,418
Traineeship fund expenses		673,586	650,263
Travel & accomodation		141,377	105,866
T-shirts & merchandise		6,750	-
Vehicle running costs		177,492	143,894
Veterans expenses		7,021	5,150
Workers' general insurance		8,800	18,606
Total expenses		<u>5,053,816</u>	<u>4,224,390</u>
Surplus (deficit) before income tax		(61,132)	418,396
Income tax expense	2	<u>-</u>	<u>-</u>
Surplus (deficit) for the year		<u>(61,132)</u>	<u>418,396</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 2012

	Note	2012 \$	2011 \$
Other comprehensive income:			
Revaluation land and buildings increment		-	-
Gain in value of investment properties	7	-	-
Profit (loss) on disposal of investments		(2,499)	1,200
Profit (loss) on disposal of plant & equipment		28,076	24,532
Loss in value of investments		-	(19,808)
Provision for redundancy		<u>(7,774)</u>	<u>(7,490)</u>
Other comprehensive income (deficit) for the year		<u>17,803</u>	<u>(1,566)</u>
Total comprehensive surplus (deficit) attributable to the Union		<u>(43,329)</u>	<u>416,830</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 2012

	Note	2012 \$	2011 \$
Current Assets			
Cash and cash equivalents	3	2,070,682	2,125,905
Financial assets	4	20,000	291,225
Trade and other receivables	5	50,170	55,872
Prepayments		<u>35,776</u>	<u>26,600</u>
Total current assets		<u>2,176,628</u>	<u>2,499,602</u>
Non-Current Assets			
Financial assets	4	2,001,666	2,016,520
Investment property	7	1,041,701	670,000
Property, plant and equipment	6	<u>3,177,988</u>	<u>3,021,014</u>
Total non-current assets		<u>6,221,355</u>	<u>5,707,534</u>
Total Assets		<u>8,397,983</u>	<u>8,207,136</u>
Current Liabilities			
Trade and other payables	8	485,249	243,415
Short-term provisions	9	331,603	310,144
Income received in advance	10	1,123,566	1,091,328
Special funds	11	<u>14,878</u>	<u>136,115</u>
Total current liabilities		<u>1,955,296</u>	<u>1,781,002</u>
Non-Current Liabilities			
Long-term provisions	9	<u>472,224</u>	<u>412,343</u>
Total non-current liabilities		<u>472,224</u>	<u>412,343</u>
Total Liabilities		<u>2,427,520</u>	<u>2,193,345</u>
Net Assets		<u>5,970,463</u>	<u>6,013,791</u>
Equity			
Reserves	12	823,339	823,339
Retained earnings		<u>5,147,124</u>	<u>5,190,452</u>
Total Equity		<u>5,970,463</u>	<u>6,013,791</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 2012

	Note	Retained Earnings		Asset	Total
		General Fund	Fighting Fund	Revaluation Reserve	
		\$	\$	\$	\$
Balance at 1 January 2011		4,114,873	658,750	823,339	5,596,962
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		<u>4,509,809</u>	<u>680,644</u>	<u>823,339</u>	<u>6,013,792</u>
Surplus (deficit) for the year		73,399	(116,728)	-	(43,329)
Other comprehensive income for the year		-	-	-	0
Revaluation increment (decrement)		-	-	-	0
Balance at 31 December 2012		<u>4,583,208</u>	<u>563,916</u>	<u>823,339</u>	<u>5,970,463</u>

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 2012

	Note	2012	2011
		\$	\$
Cash Flows from Operating Activities			
Receipts from members		2,807,873	2,858,926
Grants received		1,265,255	1,111,190
Interest received		225,823	229,017
Other investment income received		103,818	93,330
Wage claim receipts		-	538,719
Other sundry receipts		648,211	597,088
Receipts from CFMEU C & G Qld		7,578	2,079
Receipts from CFMEU National Office		1,787	14,100
Receipts from CFMEU C & G WA		-	3,138
Payments to suppliers and employees		(4,071,157)	(3,931,682)
Payments to CFMEU C & G Qld		(222,583)	(62,990)
Payments to CFMEU National Office		(219,280)	(261,794)
Payments to CFMEU C & G WA		-	(1,650)
Wage claim payments for members		(121,241)	(427,352)
Net cash provided (used) by operating activities		<u>426,084</u>	<u>762,119</u>
Cash Flows from Investing Activities			
Purchase of property, plant & equipment		(468,403)	(318,318)
Net proceeds (purchase) of investments		(88,121)	60,746
Proceeds from sale of property, plant & equipment		75,217	125,455
Net cash provided (used) by investing activities		<u>(481,307)</u>	<u>(132,117)</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		(55,223)	630,002
Cash at the beginning of the year		2,125,905	1,495,903
Cash at the end of the year	3	<u>2,070,682</u>	<u>2,125,905</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 2012

	Note	2012		2011	
		<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			136,544		25,179
Receipts					
Amounts recovered from employers in respect of wages etc	-	-	-	205	538,719
Interest received on recovered money			4		3
Reimburse wages fund float			-		-
Total receipts			<u>4</u>		<u>538,722</u>
Payments					
Deductions of amounts due in respect of membership for:					
12 months or less			11,984		1,663
greater than 12 months			-		-
Deductions of donations or other contributions to accounts or funds of:					
other entities:					
- BUSSQ			-		24,748
- BERT			-		-
- CIPQ			-		-
- BEWT			-		-
-			-		-
Deductions of fees or reimbursements of expenses			-		-
Payments to workers in respect of recovered money			109,255		400,941
Bank fees			2		5
Total payments			<u>121,241</u>		<u>427,357</u>
Cash assets in respect of recovered money at the end of the year	3		<u>15,307</u>		<u>136,544</u>
Amounts recovered but not yet paid to workers	11	13	14,878	93	136,115

The accompanying notes form part of these financial statements.

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

**Notes to the Financial Statements
For the year ended 31 December 2012**

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 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, except for the cash flow information, 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
DIVISIONAL BRANCH

**Notes to the Financial Statements
For the year ended 31 December 2012**

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%
Office furniture and equipment	10%
Investment property furniture	20%

(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
DIVISIONAL BRANCH

**Notes to the Financial Statements
For the year ended 31 December 2012**

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
DIVISIONAL BRANCH

Notes to the Financial Statements
For the year ended 31 December 2012

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
DIVISIONAL BRANCH

Notes to the Financial Statements
For the year ended 31 December 2012

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.

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Notes to the Financial Statements
For the year ended 31 December 2012

	Note	2012	2011
		\$	\$
Note 3: Cash Assets			
Cash on hand		1,000	1,000
Bank a/c - general account		179,762	398,114
Bank a/c - recovery of wages account		16,307	145,975
Bank a/c - traineeship fund cheque account		59,794	59,731
Bank a/c - traineeship fund online saver account		525,749	367,273
Short-term bank deposits maturing in less than 3 months		<u>1,288,070</u>	<u>1,153,812</u>
		<u>2,070,682</u>	<u>2,125,905</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>2,070,682</u>	<u>2,125,905</u>
		<u>2,070,682</u>	<u>2,125,905</u>
Note 4: Financial Assets			
CURRENT			
Held to maturity investments:			
Term deposits maturing between 3 to 12 months		<u>20,000</u>	<u>286,225</u>
Financial assets at fair value:			
Debentures/Notes maturing between 3 to 12 months		<u>-</u>	<u>5,000</u>
Total current financial assets		<u>20,000</u>	<u>291,225</u>
NON-CURRENT			
Held to maturity investments:			
Notes and deposits		<u>1,991,045</u>	<u>1,991,045</u>
Available for sale financial assets:			
Union House Partnership at fair value		10,620	25,474
Shares in CSTC Pty Ltd at fair value		<u>1</u>	<u>1</u>
		<u>10,621</u>	<u>25,475</u>
Total non-current financial assets		<u>2,001,666</u>	<u>2,016,520</u>

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QUEENSLAND BUILDERS LABOURERS
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Notes to the Financial Statements
For the year ended 31 December 2012

	Note	2012	2011
		\$	\$
Note 5: Receivables			
Accrued income		20,960	29,770
Trade receivables		7,901	26,102
Sundry debtors		2,500	-
CFMEU C & G		18,809	-
		50,170	55,872
 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		63,563	-
Accumulated depreciation		(176,634)	(121,186)
		2,227,341	2,219,226
 Storage Shed - at management valuation 2009		 220,000	 220,000
Additions at cost		-	-
Accumulated depreciation		(26,400)	(17,600)
		193,600	202,400
 Total land and buildings		 2,420,941	 2,421,626
 Motor Vehicles - at cost		 691,947	 429,346
Accumulated depreciation		(193,927)	(114,920)
		498,020	314,426
 Plant & Equipment		 428,614	 457,582
Accumulated depreciation		(169,587)	(172,620)
		259,027	284,962
 Total property, plant and equipment		 3,177,988	 3,021,014

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

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Notes to the Financial Statements
For the year ended 31 December 2012

	Note	2012	2011
		\$	\$
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
	\$	\$	\$
Balance at start of year	2,421,626	314,426	284,962
Additions	63,563	381,758	23,082
Disposals (wdv)	-	(46,688)	(453)
Revaluation increments (decrements)	-	-	-
Depreciation expense	(64,248)	(151,476)	-
Carrying amount at end of year	<u>2,420,941</u>	<u>498,020</u>	<u>307,591</u>
	Note	2012	2011
		\$	\$

Note 7: Investment Property

Balance at beginning of year		670,000	670,000
Acquisitions		371,701	-
Disposals		-	-
Fair value adjustments		-	-
Balance at end of year		<u>1,041,701</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		196,613	186,234
Accrued expenses		275,380	40,010
CFMEU C & G Qld		-	-
CFMEU National Office		13,256	17,171
Legal		-	-
		<u>485,249</u>	<u>243,415</u>
Classified as:			
Financial liabilities at amortised cost		<u>485,249</u>	<u>243,415</u>

Note 9: Provisions

Employee entitlements		718,563	644,997
Redundancy		85,264	77,490
		<u>803,827</u>	<u>722,487</u>

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Notes to the Financial Statements
For the year ended 31 December 2012

	Note	2012	2011
		\$	\$
Note 9: Provisions (cont'd)			
Current		331,603	310,144
Non-current		472,224	412,343
		803,827	722,487
Employee entitlements:			
Opening balance at start of year		644,997	562,792
Additional provisions raised during year		115,461	133,354
Amounts used		(41,895)	(51,149)
Balance at end of year		718,563	644,997
Analysis of employee entitlements:			
Current		331,603	310,144
Non-current		386,960	334,853
		718,563	644,997
Officials		561,062	500,008
Others		157,501	144,989
		718,563	644,997

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		77,490	70,000
Additional provisions raised during year		7,774	7,490
Amounts used		-	-
Balance at end of year		85,264	77,490
Analysis of redundancy:			
Current		-	-
Non-current		85,264	77,490
		85,264	77,490

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

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
QUEENSLAND BUILDERS LABOURERS
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Notes to the Financial Statements
For the year ended 31 December 2012

	Note	2012	2011
		\$	\$
Note 10: Income Received in Advance			
Traineeship fund		1,123,566	1,091,328
Note 11: Special Funds			
Recovery of wages fund		14,878	136,115
		14,878	136,115

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

The union is not aware of any 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	782,612	972,093
Term deposits	1,308,070	1,440,037
Floating rate deposits, notes and debentures	1,991,045	1,996,045
Loans	-	-
	4,081,727	4,408,175

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

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Notes to the Financial Statements
For the year ended 31 December 2012

Note	2012	2011
	\$	\$

Note 16: Financial Risk Management (cont'd)

Net Fair Values

(i) For listed available-for-sale financial assets and financial assets at fair value through profit or loss the fair values have been based on closing quoted bid prices at the end of the reporting period.

In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).

(ii) Fair values of held-to-maturity investments are based on quoted market prices at the end of the reporting period.

Note 17: Union Details

The principal place of business of the Union is:

Construction, Forestry, Mining & Energy Union Queensland Builders Labourers Divisional Branch
Level 2, 366 Upper Roma Street, Brisbane Qld 4000

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

**Committee of Management Statement
For the year ended 31 December 2012**

(Fair Work (Registered Organisations) Act 2009 Cwlth)

In accordance with a resolution passed by the Committee of Management of the Construction, Forestry, Mining & Energy Union Queensland Builders Labourers Divisional Branch on 26TH MARCH 2013, 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: 26/03/13

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 2012, 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 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 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 2012 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
2 April 2013



FAIR WORK
COMMISSION

18 January 2013

Mr David Hanna
Branch Secretary

Construction, Forestry, Mining and Energy Union-Construction and General Division, Queensland
Builders' Labourers' Divisional Branch

Sent by email: queries@qld.cfmeu.asn.au

Dear Mr Hanna,

Re: Lodgement of Financial Report - [FR2012/542]

Fair Work (Registered Organisations) Act 2009 (the RO Act)

The financial year of the Construction, Forestry, Mining and Energy Union-Construction and General Division, Queensland Builders' Labourers' Divisional Branch (the reporting unit) ended on 31 December 2012.

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, namely 15 July 2013 (that is the period within 6 months and 14 days of the end of the financial year) under s.268 of the RO Act.

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.

Fact sheets regarding financial reporting under the RO Act are provided on the Fair Work Commission website at: [Financial Reporting Fact Sheets](#).

The documents can be emailed to orgs@fwc.gov.au. If it is envisaged that the financial report cannot be lodged by the due date you are requested to contact this office prior to the due date to discuss the issue.

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$33,000 for a body corporate and \$6,600 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at robert.pfeiffer@fwc.gov.au.

Yours sincerely,

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /	As soon as practicable after end of financial year
(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).		
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	Within a reasonable time of having received the GPFR (NB: Auditor's report must be dated on or after date of Committee of Management Statement)
Provide full report free of charge to members – s265 The full report includes: <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting, or (b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.