



FAIR WORK
COMMISSION

14 June 2014

Mr Andrew Vickers
Secretary, Mining and Energy Division
CFMEU
PO Box Q1641
SYDNEY NSW 1230

Sent to: avickers@cfmeu.com.au

Dear Mr Vickers,

Re: Lodgement of Financial Report - Construction, Forestry, Mining and Energy Union, Mining and Energy Division - for year ended 31 December 2013 (FR2013/443)

I acknowledge receipt of the financial report for the Mining and Energy Division ('the reporting unit') of the Construction, Forestry, Mining and Energy Union for the year ended 31 December 2013, on 16 May 2014. An amended copy of the report was received on 13 June 2014.

The report has now been filed. You are not required to take any further action in respect of the report lodged. The financial report was filed based on a primary review. This involved confirming that 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 that the financial report for the year ending 31 December 2014 may be subject to an advanced compliance review.

If you have any queries regarding this letter, please contact me on (02) 6723 7237 or by email at stephen.kellett@fwc.gov.au.

Yours sincerely

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

cc. Mr Mark Watson, Finance Manager

Construction Forestry Mining and Energy Union Mining and Energy Division

Financial Statements

For the Year Ended 31 December 2013

Construction Forestry Mining and Energy Union Mining and Energy Division

For the Year Ended 31 December 2013

Financial Statements

Contents	Page
Operating Report	1
Committee of Management Statement	5
Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
Consolidated Balance Sheet	8
Consolidated Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	10
Notes to the Financial Statements	11
Recovery of Wages Activity	49
Independent Audit Report	50

Construction Forestry Mining and Energy Union - Mining and Energy Division

Operating Report

31 December 2013

The committee of management present their report, together with the financial statements of the Group, being the Union and its controlled entities, for the financial year ended 31 December 2013.

1. General information

Information on Committee of Management

The names of each person who has been on the committee of management during the year and to the date of this report are:

Name	Position	Period of Appointment
Mr T Maher	General President	1/1/13 - 31/12/13
Mr A Vickers	General Secretary	1/1/13 - 31/12/13
Mr I Murray	General Vice President	1/1/13 - 31/12/13
Mr W McAndrew	General Vice President	1/1/13 - 31/12/13
Ms L Usher	General Vice President	12/8/13 - 31/12/13
Mr A Drew	Central Councillor	1/1/13 - 8/8/13
Mr C Hinds	Central Councillor	1/1/13 - 31/12/13
Mr L Van der Meulen	Central Councillor	1/1/13 - 31/12/13
Mr R Whittaker	Central Councillor	1/1/13 - 13/9/13
Mr M Dobie	Central Councillor	13/9/13 - 31/12/13
Mr J Porter	Central Councillor	8/8/13 - 31/12/13
Mr A Honeysett	Central Councillor	1/1/13 - 31/12/13
Mr G Wood	Central Councillor	1/1/13 - 31/12/13
Mr F Baker	Central Councillor	1/1/13 - 31/12/13
Mr T Hardy	Central Councillor	1/1/13 - 31/12/13
Mr S Smyth	Central Councillor	1/1/13 - 31/12/13
Mr P Jordan	Central Councillor	1/1/13 - 31/12/13
Mr B Wise	Central Councillor	1/1/13 - 31/12/13
Mr F Hibble	Central Councillor	1/1/13 - 31/12/13
Mr D McLachlan	Central Councillor	1/1/13 - 31/12/13
Mr D Haile	Central Councillor	1/1/13 - 31/12/13
Mr S Leggett	Central Councillor	1/1/13 - 31/12/13
Mr W Small	Central Councillor	1/1/13 - 31/12/13
Mr K Wild	Central Councillor	1/1/13 - 31/12/13

Construction Forestry Mining and Energy Union - Mining and Energy Division

Operating Report

31 December 2013

1. General information (Continued)

Principal activities

The principal activities of the Group during the financial year were the:

- Adherence to the rules of the Division in furtherance of the objects of the Union consistent with the industrial relations legislation.
- Implementation of the decisions of the Division Executive and Committee of Management.
- Implementation of the Union's organising agenda, including assistance and advice on organising site projects, training and development of officials and planning and resourcing campaigns.
- Industrial support including assistance with legal and legislative matters.
- The administration and variation of federal and state awards.
- Negotiation and registration of certified industrial instruments on behalf of members consistent with the objects of the Workplace Relations Act and the Union rules.
- Media and other communications to members and to the broader local communities of the Division on issues affecting the rank and file.
- Monitoring and improving the health and safety of members.

No significant change in the nature of these activities occurred during the year.

Operating results and review of operations for the year

Operating results

The consolidated loss of the Group amounted to \$ 6,648,041 (2012: \$ 79,673).

2. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of entities in the Group during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Operating Report

31 December 2013

2. Other items (Continued)

Right of members to resign

All members of the Union have the right to resign in accordance with Rule 5(iv)(a) of the Union Rules [and section 174 of the Fair Work (Registered Organisations) Act 2009], namely, by providing written notice addressed and delivered to either the District Secretary, or a Lodge Secretary or authorised delegate.

Superannuation Trustees

Mark Watson - Finance Manager is a Director of Auscoal Superannuation Pty Ltd, which acts as Trustee for the Auscoal Superannuation Fund.

No other officer or member of the Union acts:

- i) as a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- ii) as a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Number of members

There were 24,801 members of the Union as at 31 December 2013 (2012: 26,954).

Number of employees

As at 31 December 2013 the Union had 31 employees (2012: 26).

Officers and employees who are directors of a company or a member of a board

Andrew Vickers, Anthony Maher, Ian Murray, Wayne McAndrew are directors of Unite Organising Pty Ltd
Andrew Vickers, Anthony Maher, Ian Murray, Wayne McAndrew are directors of NMEAF Pty Ltd
Andrew Vickers is a director of United Collieries Pty Ltd
Andrew Vickers is a director of United Coal Sales Pty Ltd
Andrew Vickers is a director of Coal Mining Industry (Long Service Leave Funding) Corporation
Andrew Vickers is a director of Maritime, Mining & Power Credit Union Limited
Wayne McAndrew is a director of Coal Services Pty Ltd
Mark Watson is a director of Auscoal Superannuation Pty Ltd
Mark Watson is a director of Auscoal Services Pty Ltd
Mark Watson is a director of Maritime, Mining & Power Credit Union Limited

Construction Forestry Mining and Energy Union - Mining and Energy Division

Operating Report

31 December 2013

Signed in accordance with a resolution of the Committee of Management:



Tony Maher
General President

Dated 18 March 2014

Sydney

Construction Forestry Mining and Energy Union - Mining and Energy Division

Committee of Management Statement

For the period ended 31 December 2013

On 18 March 2014 the Committee of Management of the Construction Forestry Mining and Energy Union - Mining and Energy Division passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2013:

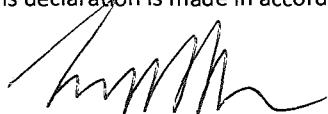
The Committee of Management declares that in its opinion:

- (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 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
 - (v) 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) in relation to recovery of wages activity:
 - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
 - (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and

Construction Forestry Mining and Energy Union - Mining and Energy Division

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

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



Tony Maher
General President



Andrew Vickers
General Secretary

Dated 18 March 2014
Sydney

Construction Forestry Mining and Energy Union - Mining and Energy Division

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2013

	Note	2013 \$	2012 \$
Revenue	2	11,109,819	11,682,028
Other income	2	305,518	-
Employee benefits expense	3	(5,978,835)	(4,804,952)
Depreciation and amortisation expense		(794,576)	(722,857)
Legal campaign fund expense		(957,902)	(533,096)
Advertising expenses		(240,454)	(438,558)
Donations		(264,140)	(257,694)
Travel expense		(740,262)	(690,266)
Conference and meeting expense		(158,290)	(1,150,064)
Affiliation fees		(401,638)	(382,296)
Campaign expenses		(1,101,274)	(60,566)
Impairment of investments		(817,516)	(512,330)
Professional fees		(176,419)	(65,430)
Property expenses		(426,550)	(442,107)
Common cause expenses		(291,313)	(282,458)
Development fund distribution		(133,200)	(199,301)
Operating expenditure		(1,009,112)	(1,229,368)
Impairment of property, plant and equipment	3	(4,571,897)	-
Share of net profits of equity-accounted joint ventures		-	9,642
Result for the year		(6,648,041)	(79,673)
Other comprehensive income:			
Changes in fair value of available-for-sale financial assets		85,698	12,873
Total comprehensive income for the year		(6,562,343)	(66,800)

The accompanying notes form part of these financial statements.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Consolidated Balance Sheet

As At 31 December 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,852,552	1,316,944
Trade and other receivables	5	2,450,728	2,623,600
Other financial assets	6	16,154,402	22,225,216
TOTAL CURRENT ASSETS		20,457,682	26,165,760
NON-CURRENT ASSETS			
Investments accounted for using the equity method	16	-	-
Financial assets	6	2,900,569	453,257
Property, plant and equipment	7	22,680,323	25,373,136
TOTAL NON-CURRENT ASSETS		25,580,892	25,826,393
TOTAL ASSETS		46,038,574	51,992,153
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	799,941	826,986
Employee benefits	9	3,184,653	2,548,844
TOTAL CURRENT LIABILITIES		3,984,594	3,375,830
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		3,984,594	3,375,830
NET ASSETS		42,053,980	48,616,323
EQUITY			
Reserves	10	(19,850)	(105,548)
Retained earnings		42,073,830	48,721,871
TOTAL EQUITY		42,053,980	48,616,323

The accompanying notes form part of these financial statements.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2013

2013

	Retained Earnings	Financial Assets Reserve	Total
	\$	\$	\$
Balance at 1 January	48,721,871	(105,548)	48,616,323
Result for the year	(6,648,041)	-	(6,648,041)
Other comprehensive income for the year	-	85,698	85,698
Balance at 31 December	42,073,830	(19,850)	42,053,980

2012

	Retained Earnings	Financial Assets Reserve	Total
	\$	\$	\$
Balance at 1 January	48,801,544	(118,421)	48,683,123
Result for the year	(79,673)	-	(79,673)
Other comprehensive income for the year	-	12,873	12,873
Balance at 31 December	48,721,871	(105,548)	48,616,323

The accompanying notes form part of these financial statements.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2013

	2013	2012
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and contributions	11,589,188	12,636,645
Payments to suppliers and employees	(12,831,379)	(11,926,361)
Receipts from dividends	32,354	5,096
Interest received	861,836	1,356,482
Net cash provided by/(used in) operating activities	20(a) (348,001)	2,071,862
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(2,739,893)	(1,751,869)
Net proceeds from/(payments for) held to maturity investments	5,509,108	(389,493)
Receipts from related party loan	561,706	502,030
(Payments for)/proceeds to available-for-sale assets	(2,447,312)	233,625
Net cash (used in)/provided by investing activities	883,609	(1,405,707)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash used by financing activities	-	-
Net increase in cash and cash equivalents held	535,608	666,155
Cash and cash equivalents at beginning of year	1,316,944	650,789
Cash and cash equivalents at end of financial year	4 1,852,552	1,316,944

The accompanying notes form part of these financial statements.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

The financial report includes the consolidated financial statements and notes of Construction Forestry Mining and Energy Union - Mining and Energy Division and controlled entities (the Group). Construction Forestry Mining and Energy Union - Mining and Energy Division is a not-for-profit Union.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are a general purpose financial statements that has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australia Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements the Union is a not-for-profit entity.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Historical cost is generally based on the fair values of the consideration given in exchange for assets. The financial statements are presented in Australian Dollars.

(b) Comparative figures

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

(c) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Construction Forestry Mining and Energy Union - Mining and Energy Division at the end of the reporting period. A controlled entity is any entity over which Construction Forestry Mining and Energy Union - Mining and Energy Division has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(c) Principles of consolidation (Continued)

Joint Arrangements

AASB 11 *Joint Arrangements* defines a joint arrangement as an arrangement of which two or more parties have joint control and classifies these arrangements as either joint ventures or joint operations.

Construction Forestry Mining and Energy Union - Mining and Energy Division has determined that it has only joint ventures.

Joint ventures:

Joint ventures are those joint arrangements which provide the venturer with right to the net assets of the arrangements. Interests in joint ventures are accounted for using the equity method in accordance with AASB 128 *Associates and Joint Ventures*. Under this method, the investment is initially recognised as cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

If the venturer's share of losses of a joint venture equals or exceeds its interest in the joint venture, the venturer discontinues recognising its share of further losses.

The venturer's share in the joint ventures gains or losses arising from transactions between a venturer and its joint venture are eliminated.

Adjustments are made to the joint ventures accounting policies where they are different from those of the venturer for the purpose of the consolidated financial statements.

(d) Property, plant and equipment

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

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(d) Property, plant and equipment (Continued)

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

Class of Fixed Asset	Depreciation Rate
Buildings	2% - 20%
Furniture, Fixtures and Fittings	5 - 40%
Motor Vehicles	22.5%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the consolidated statement of profit or loss and other comprehensive income.

(e) Financial instruments

Initial recognition and measurement

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 the equivalent to the date that the Union commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(e) Financial instruments (Continued)

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.

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 value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

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.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(e) Financial instruments (Continued)

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be sold within 12 months after the end of the reporting period.

Financial liabilities

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

Financial instruments are recognised initially using trade date accounting, i.e. on the date that Union becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Impairment of financial assets

At the end of the reporting period the Union assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(e) Financial instruments (Continued)

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(f) Impairment of non-financial assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information and dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Value in use is calculated by discounting the estimated future cash flows of the asset or cash-generating unit (CGU) at a pre-tax discount rate reflecting the specific risks in the asset / CGU. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of profit or loss and other comprehensive income.

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

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Employee benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(h) Employee benefits (Continued)

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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Provision is made for separation and redundancy benefit payments. The Union recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

(i) 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 entities in the Group, are classified as finance leases.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(j) Revenue and other income

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Capitation fees

Revenue from the provision of capitation fees is recognised on a straight line basis over the financial year.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(j) Revenue and other income (Continued)

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

(k) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated balance sheet.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(l) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements 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 Group.

There are no significant estimates or judgements.

(m) Adoption of new and revised accounting standards

During the current year, the following standards became mandatory and have been adopted retrospectively by the Group:

- *AASB 10 Consolidated Financial Statements*
- *AASB 11 Joint Arrangements*
- *AASB 13 Fair Value Measurement*
- *AASB 119 Employee Benefits*
- *AASB 127 Separate Financial Statements*
- *AASB 128 Investment in Associates and Joint Ventures*

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(m) Adoption of new and revised accounting standards (Continued)

- AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]
- AASB 2012-9 *Amendments to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039*
- AASB 2012-2 *Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*

The accounting policies have been updated to reflect changes in the recognition and measurement of assets, liabilities, income and expenses and the impact of adoption of these standards is discussed below.

AASB 10 *Consolidated Financial Statements* is effective for annual reporting periods beginning on or after 1 January 2013 and therefore the Group has applied it for the first time in these financial statements. AASB 10 includes a new definition of control, including additional guidance for specific situations such as control in a principal / agent situation and when holding less than majority voting rights may give control. AASB 10 supersedes the previous requirements of AASB 127 *Consolidated and Separate Financial Statements* and Interpretation 112 *Consolidation - Special Purpose Entities* and resulted in consequential amendments to a number of other standards.

The Group has reviewed its investment in other entities to determine whether any changes were required to the consolidated entity under AASB 10. The composition of the consolidated entity is the same under AASB 10 and therefore there is no change to the reported financial position and performance.

AASB 11 *Joint Arrangements* replaces AASB 131 *Interests in Joint Ventures* and Interpretation 112 *Jointly-Controlled Entities - Non-monetary Contributions by Venturers* as well as consequential amendments to a number of other standards. AASB 11 uses the revised definition of control from AASB 10 and once joint control is determined, then classifies joint arrangements as either joint ventures or joint operations. Joint ventures are accounted for using the equity method, proportionate consolidation is not permitted under AASB 11. Joint operations are accounted for by incorporating the venturer's share of assets, liabilities, income and expenses into the financial statements. There were no changes to the accounting for joint arrangements under AASB 11.

AASB 13 *Fair Value Measurement* does not change what and when assets or liabilities are recorded at fair value. It provides guidance on how to measure assets and liabilities at fair value, including the concept of highest and best use for non-financial assets. AASB 13 has not changed the fair value measurement basis for any assets or liabilities held at fair value, however additional disclosures on the methodology and fair value hierarchy have been included in the financial statements.

AASB 119 *Employee benefits* changes the basis for determining the income or expense relating to defined benefit plans and introduces revised definitions for short-term employee benefits and termination benefits.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(m) Adoption of new and revised accounting standards (Continued)

The Group reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period. This has been considered to be a long-term employee benefits for the purpose of measuring the leave under AASB 119.

Standard Name	Impact
AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income	The adoption of this standard has not change the reported financial position and performance of the entity, however the presentation of items in other comprehensive income has changed.
AASB 112 Income Taxes	There has been no impact on the reported financial position and performance
AASB 2011-3 Amendments to Australian Accounting Standards - Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments	There has been no impact due the entity not being a government department

(n) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. The following table summarises those future requirements, and their impact on the Group:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	30 June 2016	Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been released.
AASB 1053 - Application of Tiers of Australian Accounting Standards and amending standards AASB 2010-2, AASB 2011-11, AASB 2012-1, AASB 2012-7 and AASB 2012-11	30 June 2014	This standard allows certain entities to reduce disclosures.	The entity is not adopting the RDR and therefore these standards are not relevant.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(n) New Accounting Standards and Interpretations (Continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 2011-2 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence – Reduced Disclosure Requirements	30 June 2014	Highlights the disclosures not required in AASB 1054 for entities applying the RDR.	The entity is not adopting the RDR and therefore this standard is not relevant.
AASB 10 Consolidated Financial Statements / AASB 11 Joint Arrangements / AASB 12 Disclosures of Interests in Other Entities, AASB 127 Separate Financial Statements, AASB 128 Investments in Associates and AASB 2012-10 Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments	30 June 2014	<p>AASB 10 includes a new definition of control, which is used to determine which entities are consolidated, and describes consolidation procedures. The Standard provides additional guidance to assist in the determination of control where this is difficult to assess.</p> <p>AASB 11 focuses on the rights and obligations of a joint venture arrangement, rather than its legal form (as is currently the case). IFRS 11 requires equity accounting for joint ventures, eliminating proportionate consolidation as an accounting choice.</p> <p>AASB 12 includes disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.</p>	<p>The Group will review its controlled entities to determine whether they should be consolidated under AASB 10, no changes are anticipated.</p> <p>All joint ventures of the group are equity accounted and therefore minimal impact is expected due to the adoption of AASB 11.</p> <p>Additional disclosures will be required under AASB 12 but there will be no changes to reported position and performance.</p>

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(n) New Accounting Standards and Interpretations (Continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 13 Fair Value Measurement.	30 June 2014	AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted.	Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required.
AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]		There are a number of additional disclosure requirements.	The entity has not yet determined the magnitude of any changes which may be needed. Some additional disclosures will be needed.
AASB 2011-4 - Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	30 June 2014	Remove individual key management personnel disclosure requirements (i.e. components of remuneration) for disclosing entities.	The entity is not a disclosing entity and therefore this will have no impact.
AASB 2011-6 - Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements [AASB 127, AASB 128 & AASB 131]	30 June 2014	This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards - Reduced Disclosure Requirements.	Since the entity does not comply with the Reduced Disclosure Regime there is no impact on the adoption of this standard.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(n) New Accounting Standards and Interpretations (Continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 2011-7 - Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	30 June 2014	This standard provides many consequential changes due to the release of the new consolidation and joint venture standards.	The impact of this standard is expected to be minimal.
AASB 119 Employee Benefits (September 2011) AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	30 June 2014	The main changes in this standard relate to the accounting for defined benefit plans and are as follows: - elimination of the option to defer the recognition of gains and losses (the 'corridor method'); - requiring remeasurements to be presented in other comprehensive income; and - enhancing the disclosure requirements.	Since the entity does not have a defined benefit plan, the adoption of these standards will not have any impact.
AASB 2010-10 - Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7]	30 June 2014	Makes amendments to AASB 1	No impact since the entity is not a first-time adopter of IFRS.
AASB 2012-2 - Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities [AASB 132 & AASB 7]	30 June 2014	Requires the inclusion of information about the effect or potential effect of netting arrangements.	There is no impact on disclosures as there are no offsetting arrangements currently in place.
AASB 2012-4 - Amendments to Australian Accounting Standards – Government Loans [AASB 1]	30 June 2014	Adds exception to retrospective application of Australian Accounting Standards for first time adopters.	No impact as these are not the first time adoption accounts for the entity.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(n) New Accounting Standards and Interpretations (Continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 2012-5 - Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2]	30 June 2014	<p>AASB 1 - this standard clarifies that an entity can apply AASB 1 more than once.</p> <p>AASB 101 - clarifies that a third statement of financial position is required when the opening statement of financial position is materially affected by any adjustments.</p> <p>AASB 116 - clarifies the classification of servicing equipment.</p> <p>AASB 132 and Interpretation 2 - Clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with AASB 112 Income Taxes</p> <p>AASB 134 - provides clarification about segment reporting.</p>	No expected impact on the entities financial position or performance.
AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20	30 June 2014	Allows transitional provisions for strippings costs in accordance with Interpretation 20.	There will be no impact as entity is not in the mining industry.
AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039	30 June 2014	Removes reference to withdrawn Interpretation 1039.	No impact on the financial statements.
AASB 1055 - Budgetary Reporting AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements	30 June 2015	This standard specifies the nature of budgetary disclosures and circumstances for inclusion in the financial statements.	No impact as the entity is not a public sector entity.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(n) New Accounting Standards and Interpretations (Continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	30 June 2015	This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.	There will be no impact to the entity as there are no offsetting arrangements currently in place..

(o) Income tax

No provision for income tax is necessary, as the union (being a registered Industrial Trade Union) is exempt from tax under s.50-15 of the Income Tax Assessment Act.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

2 Revenue and other income

Revenue from continuing operations

	2013	2012
	\$	\$
- Membership subscription	-	-
Capitation fees by branch:		
- Northern District	2,965,060	2,882,568
- Queensland District Office	2,719,533	2,909,035
- South Western District	1,252,605	1,284,298
- Tasmanian District	28,314	28,314
- Victorian District	224,769	248,529
- Western Australian District	284,922	292,562
- NSW Energy District	107,622	177,346
- South Australian District	-	3,782
	<u>7,582,825</u>	<u>7,826,434</u>
- Levies	-	-
- Grants	34,127	38,600
- Donations	5,000	-
- Rents received	975,854	863,945
- Trust distribution received	1,103,158	1,352,830
- Interest received on deposits	802,885	1,188,404
- Other income	573,617	406,720
- Dividend income	32,354	5,096
	<u>11,109,820</u>	<u>11,682,029</u>
Other revenue		
- Foreign exchange gain	49,399	-
- Gain on disposal of assets	309	-
- Gain on revaluation of investment	255,810	-
	<u>305,518</u>	<u>-</u>

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

3 Result for the year

(a) The result for the year includes the following specific expenses

	2013	2012
	\$	\$
Employee benefits expense comprises:		
Holders of office:		
- Wages and salaries	986,552	949,407
- Superannuation	94,960	80,650
- Leave and other entitlements	618,102	158,987
- Separation and redundancies	-	-
- Other employee expenses	196,188	171,657
	<u>1,895,802</u>	<u>1,360,701</u>
Employees other than office holders:		
- Wages and salaries	2,624,245	2,226,906
- Superannuation	389,598	341,816
- Leave and other entitlements	687,839	560,500
- Separation and redundancies	15,778	3,955
- Other employee expenses	365,573	311,074
	<u>4,083,033</u>	<u>3,444,251</u>
Total employee benefits expense	<u>5,978,835</u>	<u>4,804,952</u>
Other expenses:		
Capitation fees	-	-
Affiliation fees		
Affiliation fees - ICEM	80,963	84,809
Affiliation fees - CFMEU	270,375	297,187
Affiliation fees - Miscellaneous	50,300	300
	<u>401,638</u>	<u>382,296</u>
Impairment loss on property, plant and equipment	<u>4,571,897</u>	-

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

3 Result for the year (Continued)

(a) The result for the year includes the following specific expenses (Continued)

	2013	2012
	\$	\$
Minimum lease payments on operating leases	51,360	51,139
Grants	-	-
Donations	264,140	257,694
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expense	158,290	1,150,064
Penalties - via RO Act or RO Regulations	-	-
Legal costs - litigation	874,797	471,590
Legal costs - other legal matters	83,105	61,506

4 Cash and cash equivalents

Cash on hand	70	1,225
Cash at bank	1,852,482	1,315,719
	<u>1,852,552</u>	<u>1,316,944</u>

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

5 Trade and other receivables

	2013	2012
	\$	\$
CURRENT		
Contributions receivable	857,063	730,547
Provision for impairment	(b) -	-
Prepayments	180,022	196,337
Other receivables	1,413,643	1,696,716
	<u>2,450,728</u>	<u>2,623,600</u>

(a) Receivables from other reporting units

Northern District	285,307	251,066
Queensland District Office	231,293	235,241
NSW Energy District	-	55,690
South Western District	234,617	118,264
Tasmanian District	7,786	7,786
Victorian District	44,000	22,520
Western Australian District	55,000	55,000
Australian Workers Union	14,789	-
CFMEU C&G National Office	1,849	-
CFMEU Forestry Division	-	982
MUA National Office	-	2,916
	<u>874,641</u>	<u>749,465</u>

(b) Provision for doubtful debts from other reporting units

Movement in provision for impairment of receivables is as follows:

Balance at beginning of the year	-	-
Balance at end of the year	<u>-</u>	<u>-</u>

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

5 Trade and other receivables (Continued)

The following table details the Group's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31-60	61-90	> 90	
	\$	\$	\$	\$	\$	\$	\$
2013							
Contributions receivable	857,063	-	-	-	-	-	857,063
Other receivables	1,413,643	-	30,252	316	38,467	15,203	1,329,405
Total	<u>2,270,706</u>	-	<u>30,252</u>	<u>316</u>	<u>38,467</u>	<u>15,203</u>	<u>2,186,468</u>
2012							
Contributions receivable	730,457	-	-	-	-	-	730,457
Other receivables	1,696,716	-	480	100	2,222	45,457	1,648,457
Total	<u>2,427,173</u>	-	<u>480</u>	<u>100</u>	<u>2,222</u>	<u>45,457</u>	<u>2,378,914</u>

The Group does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

6 Other financial assets

	Note	2013 \$	2012 \$
CURRENT			
Held-to-maturity financial assets	(b)	15,041,942	20,551,050
Loans and receivables	(c)	1,112,460	1,674,166
Total current assets		<u>16,154,402</u>	<u>22,225,216</u>
NON-CURRENT			
Available for sale financial assets	(a)	<u>2,900,569</u>	<u>453,257</u>
(a) Available-for-sale financial assets comprise:			
NON-CURRENT			
Listed investments			
- shares in listed entities		2,655,670	140,019
- shares in unlisted entities		244,899	313,238
		<u>2,900,569</u>	<u>453,257</u>
(b) Held-to-maturity investments comprise:			
Fixed interest term deposits		<u>15,041,942</u>	<u>20,551,050</u>
(c) Loans and receivables			
Loans to associated entities		<u>1,112,460</u>	<u>1,674,166</u>

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

7 Property, plant and equipment

	2013	2012
	\$	\$
Land & building		
At cost	22,313,966	24,592,989
Accumulated depreciation	(482,797)	(1,057,120)
Total land & buildings	<u>21,831,169</u>	<u>23,535,869</u>
Capital works in progress		
At cost	-	1,009,371
Furniture, fixture and fittings		
At cost	697,569	637,992
Accumulated depreciation	(404,121)	(330,198)
Total furniture, fixture and fittings	<u>293,448</u>	<u>307,794</u>
Motor vehicles		
At cost	895,970	809,671
Accumulated depreciation	(340,264)	(289,569)
Total motor vehicles	<u>555,706</u>	<u>520,102</u>
Total property, plant and equipment	<u>22,680,323</u>	<u>25,373,136</u>

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

7 Property, plant and equipment (Continued)

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Capital Works in Progress	Land & Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Total
Consolidated	\$	\$	\$	\$	\$
Year ended 31 December 2013					
Balance at the beginning of year	1,009,371	23,535,869	307,794	520,102	25,373,136
Additions	1,583,914	868,049	80,819	207,111	2,739,893
Disposals - written down value	-	-	(1,528)	(64,705)	(66,233)
Transfers	(2,593,285)	2,593,285	-	-	-
Depreciation expense	-	(594,137)	(93,637)	(106,802)	(794,576)
Impairment loss in income	-	(4,571,897)	-	-	(4,571,897)
Balance at the end of the year	-	21,831,169	293,448	555,706	22,680,323

	Capital Works in Progress	Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Total
Consolidated	\$	\$	\$	\$	\$
Year ended 31 December 2012					
Balance at the beginning of year	-	23,639,517	370,473	467,281	24,477,271
Additions	1,009,371	428,510	29,615	284,373	1,751,869
Disposals - written down value	-	-	-	(133,147)	(133,147)
Depreciation expense	-	(532,158)	(92,294)	(98,405)	(722,857)
Balance at the end of the year	1,009,371	23,535,869	307,794	520,102	25,373,136

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

7 Property, plant and equipment (Continued)

(b) Impairment Losses

The total impairment loss recognised in the consolidated statement of profit or loss and other comprehensive income during the prior period amounted to \$ 4,571,897.0 and is separately presented in the consolidated statement of profit or loss and other comprehensive income as 'impairment of property, plant and equipment'.

The impairment loss relates to the difference in the carrying amount and recoverable amount of 215-217 Clarence St, Sydney. The recoverable amount was determined with reference to an independent valuation performed at the completion of the refurbishment projects.

8 Trade and other payables

	2013	2012
	\$	\$
CURRENT		
Trade payables	640,950	734,121
GST payable	158,991	92,865
	<u>799,941</u>	<u>826,986</u>
(a) Payables to other reporting entities:		
Queensland District Office	45,421	59,775
Northern District	51,463	104,292
South Western District	22,762	51,038
Western Australian District	7,353	8,549
Victorian District	7,320	8,975
NSW Energy District	-	67,047
South Australian District	-	-
Tasmanian District	881	1,099
Total	<u>135,200</u>	<u>300,775</u>
(b) Amounts included in trade payables:		
Legal fees payable	8,139	-
Consideration to employers for payroll deductions	-	-

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

9 Employee benefits

	2013	2012
	\$	\$
CURRENT		
Provision for employee benefits	<u>3,184,653</u>	<u>2,548,844</u>
(a) Total employee benefits attributable to:		
Office Holders:		
Annual leave	739,685	515,686
Long service leave	969,923	754,907
Less: Right of indemnity (note (b))	(969,923)	(754,907)
Separations and redundancies	645,730	528,792
Other	315,953	253,804
	<u>1,701,368</u>	<u>1,298,282</u>
Employees other than office holders:		
Annual leave	499,229	407,195
Long service leave	652,057	590,402
Separation and redundancies	-	-
Other	331,999	252,965
	<u>1,483,285</u>	<u>1,250,562</u>
Total	<u><u>3,184,653</u></u>	<u><u>2,548,844</u></u>

(b) Right of indemnity

All long service leave entitlements in relation to National Officers are the responsibility of 'The CFMEU Mining & Energy Employees' Entitlement Trust' from which all relevant long service leave entitlements and obligations are settled from. Accordingly, the provision for long service leave is reduced by the fair value of trust assets available and set aside to settle those entitlements.

10 Reserves

Financial asset reserve

Change in the fair value of available for sale investments are recognised in other comprehensive income - financial asset reserve. Amounts are reclassified to profit or loss on disposal of the investment or when an impairment arises.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

11 Lessor Commitments

Operating lease commitments receivable - Group as lessor

The Group leases out its investment property (included in property, plant and equipment) under commercial leases. These non-cancellable leases have terms between 1 and 10 years. All leases include an option for the Group to increase rent to current market rental on an annual basis.

The future minimum lease payments receivable under non-cancellable leases are:

	2013	2012
	\$	\$
- no later than 1 year	882,245	492,975
- between 1 year and 5 years	2,508,103	1,093,717
- greater than 5 years	1,956,525	-
Total minimum lease payments receivable	<u>5,346,873</u>	<u>1,586,692</u>

12 Financial risk management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of foreign currency risk and equity price risk.

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

12 Financial risk management (Continued)

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	2013 \$	2012 \$
Financial Assets			
Cash and cash equivalents	4	1,852,552	1,316,944
Contributions receivable	5	857,063	730,547
Other receivables	5	1,413,643	1,696,716
Held-to-maturity investments	6(b)	15,041,942	20,551,050
Loans and receivables	6(c)	1,112,460	1,674,166
Available-for-sale financial assets - at fair value:			
- at fair value			
- listed investments	6(a)	2,655,670	140,019
- listed shares in other corporations	6(a)	244,899	313,238
		<u>2,900,569</u>	<u>453,257</u>
Total financial assets		<u>23,178,229</u>	<u>26,422,680</u>
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	8	<u>799,941</u>	<u>826,986</u>

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the consolidated balance sheet due to the effect of discounting.

Financial liability maturity analysis - Non-derivative

	Within 1 Year		Total	
	2013 \$	2012 \$	2013 \$	2012 \$
Financial liabilities due for payment				
Trade and other payables (excluding estimated annual leave)	799,941	826,986	799,941	826,986

The timing of expected outflows is not expected to be materially different from contracted cashflows.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

12 Financial risk management (Continued)

The following table illustrates the sensitivity of the net result for the year and equity in regards to the Union's financial assets and the United States Dollar – Australian Dollar exchange rate. There have been no changes in the assumptions calculating this sensitivity from prior years.

It assumes a +/- 10% change of the Australian Dollar / United States Dollar exchange rate for the year ended 31 December 2013 (31 December 2012: 10%). This percentage has been determined based on the average market volatility in exchange rates in the previous 12 months.

The sensitivity analysis is based on the foreign currency financial instruments held at the reporting date .

If the Australian Dollar had strengthened and weakened against the United States Dollar by 10% (31 December 2012: 10%) then this would have had the following impact:

	2013		2012	
	+10%	-10%	+10%	-10%
USD				
Net results	32,084	(39,116)	27,363	(33,443)
Equity	676	(924)	929	(1,135)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Union's exposure to foreign currency risk.

(i) Other price risk

The Union are exposed to equity securities price risk. This arises from listed and unlisted investments held by the Union and classified as available-for-sale on the consolidated balance sheet.

Equity instruments are held for strategic rather than trading purposes and the Union does not actively trade these investments.

The Union is not exposed to commodity price risk.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

12 Financial risk management (Continued)

At reporting date, if the Australian Stock Exchange index had increased / decreased by 5.00% with all other variables held constant and all of the Union's equity instruments moved according to the historical correlation with the index, the impact on profit and equity is shown in the table below:

	2013		2012	
	+5.00%	-5.00%	+5.00%	-5.00%
ASX Index				
Impact on equity	103,915	(103,915)	4,638	(4,638)

There is no profit impact, except for investments held at fair value through profit or loss. Equity would increase / decrease as a result of fair value movements through the investment reserve.

The price risk for the unlisted securities held by the Union is immaterial in terms of the possible impact on profit or loss or total equity. It has therefore not been included in the sensitivity analysis.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Union.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Union has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

12 Financial risk management (Continued)

Net income and expense from Financial Assets

	2013	2012
	\$	\$
Held-to-maturity		
Interest revenue	802,885	1,188,404
Available for sale		
Gain recognised in equity	85,698	12,873
Total	888,583	1,201,277

13 Interests of Key Management Personnel

Key management personnel remuneration included within employee expenses for the year is shown below:

Short-term employee benefits

Salary (including annual leave taken)	1,085,630	1,084,764
Leave accrued	187,471	144,209
	1,273,101	1,228,973

Long-term benefits

Long service leave	33,848	26,038
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Post-employment benefits

Superannuation	94,960	80,650
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Termination benefits

	-	-
	1,401,909	1,335,661

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

14 Remuneration of Auditors

	2013	2012
	\$	\$
Remuneration of the auditor of the Union, Daley & Co Chartered Accountants, for:		
- auditing the financial report	35,000	31,200
- taxation services	6,172	3,039
	<u>41,172</u>	<u>34,239</u>

15 Interests in Subsidiaries

(a) Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2013	Percentage Owned (%)* 2012
Subsidiaries:			
Unite Organising Pty Limited	Australia	100	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

16 Interests in Joint Ventures

Material joint ventures

The following information is provided for joint ventures that are material to the Group and is the amount per the Joint Venture financial statements, adjusted for fair value adjustments at acquisition date and differences in accounting policies, rather than the Group's share.

Name of Joint Venture	Ableshore Joint Venture
Measurement basis	Equity method
Summarised consolidated balance sheet	
Cash and cash equivalents	129,536
Other current assets	1,630,752
Non-current assets	69,001,837
Other current liabilities	(3,504,150)
Other non-current liabilities	(29,787,118)
Net assets	<u>37,470,857</u>

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

16 Interests in Joint Ventures (Continued)

Material joint ventures (Continued)

Name of Joint Venture	Ableshore Joint Venture
Summarised consolidated statement of profit or loss and other comprehensive income	
Revenue	369,754
Interest income	2,488
Finance costs	1,279,599
Profit / (loss) from continuing operations	<u>15,635,291</u>
Total comprehensive income	<u><u>15,635,291</u></u>

Reconciliation of carrying amount of interest in joint venture to summarised financial information for joint ventures accounted for using the equity method:

	2013	2012
	\$	\$
Ableshore Joint Venture		
Group's share of 5% of net assets	1,873,543	2,129,353
Provision for diminution	<u>(1,873,543)</u>	<u>(2,129,353)</u>
Carrying amount	<u>-</u>	<u>-</u>

17 Fair Value Measurement

The Group measures the following assets and liabilities at fair value on a recurring basis:

- Financial assets
 - Listed Shares

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

17 Fair Value Measurement (Continued)

The table below shows the assigned level for each asset and liability held at fair value by the Group:

	Level 1	Level 2	Level 3	Total
31 December 2013	\$	\$	\$	\$
Recurring fair value measurements				
Financial assets				
Available for sale assets	2,900,569	-	-	2,900,569
	Level 1	Level 2	Level 3	Total
31 December 2012	\$	\$	\$	\$
Recurring fair value measurements				
Financial assets				
Available for sale assets	453,287	-	-	453,287

18 Contingent liabilities and contingent assets

In the opinion of the Directors, the Union did not have any contingencies at 31 December 2013 (31 December 2012:None).

19 Related party transactions

Related Parties

(a) Entities exercising control over the Group

The ultimate parent entity, which exercises control over the Group, is Construction Forestry Mining and Energy Union - Mining and Energy Division.

(b) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 13: Key Management Personnel Compensation.

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

19 Related party transactions (Continued)

(c) Joint venture entities that are accounted for under the equity method

The Group has a 5% interest in the joint venture entity, Ableshore Joint Venture. The interest in joint venture is accounted for in these consolidated financial statements of the Group, using the equity method of accounting.

For details of interests held in joint venture entities, refer to Note 16.

(d) Transactions with related parties

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

The following transactions occurred with related parties:

	2013	2012
	\$	\$
<i>(i) Purchase of goods and services</i>		
Affiliation fees paid to CFMEU	270,375	297,187
<i>(i) Rental income</i>		
NSW Energy District	-	12,000
<i>(ii) Capitation fees</i>		
Northern District	2,965,060	2,882,568
Queensland District Office	2,719,533	2,909,035
South Western District	1,252,605	1,284,298
Tasmanian District	28,314	28,314
Victorian District	224,769	248,529
Western Australian District	284,922	292,562
NSW Energy District	107,622	177,346
South Australian District	-	3,782
	<u>7,582,825</u>	<u>7,826,434</u>

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

19 Related party transactions (Continued)

(iii) Trade and other receivables

	2013	2012
	\$	\$
Northern District	285,307	251,066
Queensland District Office	231,293	235,241
NSW Energy District	-	55,690
South Western District	234,617	118,264
Tasmanian District	7,786	7,786
Victorian District	44,000	22,520
Western Australian District	55,000	55,000
CFMEU C&G National Office	1,849	-
CFMEU Forestry Division	-	982
<i>Loans to other related parties:</i>		
Loan to Ableshore Pty Limited	1,112,460	1,214,725

(iv) Trade and other payables:

Northern District	51,463	104,292
Queensland District Office	45,421	59,775
South Western District	22,762	51,038
Western Australian District	7,353	8,549
Victorian District	7,320	8,975
NSW Energy District	-	67,047
Tasmanian District	881	1,099

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

20 Cash flow information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2013	2012
	\$	\$
Result for the year	(6,648,041)	(79,673)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	794,576	722,857
- impairment of property, plant and equipment	4,571,897	-
- net loss on disposal of plant and equipment	66,233	133,147
- net exchange differences	85,698	12,873
Changes in assets and liabilities:		
- (increase)/decrease in contributions receivable	(126,516)	590,671
- (increase)/decrease in other assets	283,073	734,500
- (increase)/decrease in prepayments	16,315	15,922
- increase/(decrease) in trade and other payables	(27,045)	(181,115)
- increase/(decrease) in employee benefits	635,809	122,680
Cashflow from operations	<u>(348,001)</u>	<u>2,071,862</u>

(b) Cash flow information

Net cash flows relating to another reporting unit:

Queensland District	2,857,691	3,563,117
Northern District	2,834,150	2,945,157
South Western District	1,125,506	1,127,533
NSW Energy District	52,794	146,825
Victorian District	159,820	265,010
South Australian District	-	1,182
Tasmanian District	1,219	(4,294)
Western Australian District	296,962	329,987
Total	<u>7,328,142</u>	<u>8,374,517</u>

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

21 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

22 Parent entity

The following information has been extracted from the books and records of the parent, Construction Forestry Mining and Energy Union - Mining and Energy Division and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Construction Forestry Mining and Energy Union - Mining and Energy Division has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity.

	2013	2012
	\$	\$
Balance Sheet		
Assets		
Current assets	20,465,910	26,224,714
Non-current assets	25,536,595	25,780,047
Total Assets	<u>46,002,505</u>	<u>52,004,761</u>
Liabilities		
Current liabilities	3,984,594	3,375,830
Total Liabilities	<u>3,984,594</u>	<u>3,375,830</u>
Equity		
Retained earnings	42,022,621	48,721,389
Assets-available-for-sale reserve	(4,710)	(92,458)
Total Equity	<u>42,017,911</u>	<u>48,628,931</u>
Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year	(6,698,768)	(78,272)
Other comprehensive income	87,748	23,621
Total comprehensive income	<u>(6,611,020)</u>	<u>(54,651)</u>

Construction Forestry Mining and Energy Union - Mining and Energy Division

Notes to the Financial Statements

For the Year Ended 31 December 2013

23 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of the members is drawn to the provisions of Sub-sections [1] and [3] of Section 272 which reads as follows:-

Information to be provided to members or the General Manager of Fair Wor Australia:

- [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).

Construction Forestry Mining and Energy Union - Mining and Energy Division

Recovery of Wages Activity

For the Year Ended 31 December 2013

No recovery of wages activity was carried out by the Union for the year ended 31 December 2013 (2012: Nil).

The accompanying notes form part of these financial statements.

Independent Audit Report to the members of Construction Forestry Mining and Energy Union - Mining and Energy Division

Report on the Financial Report

We have audited the accompanying financial report of Construction Forestry Mining and Energy Union - Mining and Energy Division, which comprises the consolidated balance sheet as at 31 December 2013, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and management's assertion statement of the entity and the consolidated entity comprising the entity and the entities it controlled at the year's end or from time to time during the financial year.

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 and the Fair Work (Registered Organisations) Act 2009, and for such internal control as management determines is necessary to enable the preparation and fair presentation 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgement, 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 of the financial report that gives a true and fair view 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 of Management and the Accounting Officer, 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.

**Independent Audit Report to the members of
Construction Forestry Mining and Energy Union - Mining and Energy Division**

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Construction Forestry Mining and Energy Union - Mining and Energy Division and its subsidiaries, as at 31 December 2013, and of their financial performance and cash flows for the year then ended in accordance with:

- the Australian Accounting Standards; and
- any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009

The scope of our audit did extend to recovery of wages activity, however as noted in the Committee of Management Statement, no such activity was undertaken during the reporting period.

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.

I declare that management's use of the going concern basis of accounting in preparation of the Union's financial statements is appropriate.

Daley & Co.
Daley & Co
Chartered Accountants

Michael Mundt
Michael Mundt
Partner FCA

Wollongong

18 March 2014

Liability is limited by a scheme approved under Professional Standards Legislation



15 May 2014

Stephen Kellett
Fair Work Australia
Terrace Towers
80 William St,
East Sydney NSW 2011



Dear Stephen,

Re: CFMEU Mining & Energy Division

Please find enclosed the annual Secretary's statement & financial statements for our organisation for the year ended 31 December 2013.

Should you require any further information please do not hesitate to contact me.

Regards,

A handwritten signature in black ink, appearing to read "Mark Watson".

Mark Watson
Finance Manager



CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
MINING & ENERGY DIVISION

SECRETARY'S CERTIFICATE

I, Andrew Vickers, being the General Secretary of the Mining and Energy Division of the Construction, Forestry, Mining and Energy Union, certify:

- That the documents lodged herewith are copies of the full report referred to in the Fair Work (Registered Organisations) Act 2009; and
- That the full report, was provided to members on 28th March 2014, after adoption of the accounts by the Central Council
- That the full report was supplied to members through the union website, and circulation at work sites. A series of general meetings were held by members of the Mining and Energy Division of the Construction, Forestry, Mining and Energy Union, the last meeting being on 9th May 2014; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.


Andrew Vickers
General Secretary

15 May 2014



28 February 2014

Mr Andrew Vickers
General Secretary M & E / National Vice President
Construction, Forestry, Mining and Energy Union-Mining and Energy Division

Sent by email: avickers@cfmeu.com.au

Dear Mr Vickers,

**Re: Lodgement of Financial Report - [FR2013/443]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Mining and Energy Division of the Construction, Forestry, Mining and Energy Union (the reporting unit) ended on 31 December 2013.

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 2014 (being the expiry date of 6 months and 14 days from 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 and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Additionally, the General Manager's updated Reporting Guidelines, that apply to all financial reports prepared on or after 30 June 2013, are also available on the website as is our webinar on the financial Reporting Guidelines.

The Fair Work Commission has also developed a model set of financial statements for the 2012-2013 financial year. There is no requirement to use this model but it may be a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. All of the above information can be accessed through our website under [Compliance & litigation](#).

The financial report and any statement of loans, grants or donations made during the financial year [statement must be lodged within 90 days of end of financial year] can be emailed to orgs@fwc.gov.au. A sample statement of loans, grants or donations is available at [sample documents no.5](#)

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 \$51,000 for a body corporate and \$10,200 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	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <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. 	/ /	<p>(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,</p> <p>or</p> <p>(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.</p>
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.