



3 August 2016

Mr Brian Parker
Branch Secretary
Construction, Forestry, Mining and Energy Union – Construction and General Division, New
South Wales Divisional Branch
12 Railway Street
LIDCOMBE NSW 2141

via email: enquiries@nsw.cfmeu.asn.au

Dear Mr Parker

Construction, Forestry, Mining and Energy Union Construction and General Division New South Wales Divisional Branch Financial Report for the year ended 31 December 2015 - FR2015/438

I acknowledge receipt of the financial report for the year ended 31 December 2015 for the Construction, Forestry, Mining and Energy Union – Construction and General Division, New South Wales Divisional Branch (the reporting unit). The financial report was lodged with the Fair Work Commission (FWC) on 27 June 2016.

The financial report has now been filed.

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 2016 may be subject to an advanced compliance review.

I make the following comment to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The FWC will confirm this concern has been addressed prior to filing next year's report.

Timescale requirements

Reports must be provided to members within 5 months of end of financial year where the report is presented before Committee of Management meeting

Under subsection 265(1)(a) of the RO Act a reporting unit must provide free of charge to its members a full report. A full report consists of:

- (i) a copy of the report of the auditor in relation to the inspection and audit of the financial records of the reporting unit in relation to a financial year; and
- (ii) a copy of the general purpose financial report to which the report relates; and
- (iii) a copy of the operating report to which the report relates.

Subsection 253(2) states that the general purpose financial report must consist of:

- (a) financial statement containing

- (i) a profit and loss statement, or other operating statement; and
 - (ii) a balance sheet; and
 - (iii) a statement of cash flows; and
 - (iv) any other statements required by the Australian Accounting Standards; and
- (b) notes to the financial statements containing:
- (i) notes required by the Australian Accounting Standards; and
 - (ii) information required by the reporting guidelines (see section 255); and
- (c) any other reports or statements required by the reporting guidelines (see section 255) (including a Committee of Management Statement).

Under subsection 265(5)(b) of the RO Act, where the full report is presented to a Committee of Management meeting, the full report must be provided to members within 5 months of the end of the financial year. The Designated Officer's Certificate states that the full report was provided to members on 16 April 2016, and presented to a Committee of Management meeting on 17 June 2016.

Although the date the report was provided to members is within 5 months of the end of the financial year, the Committee of Management Statement, Operating Report and Auditor's Report were not signed until the 11 May 2016 which is after the date the report was provided to members. As identified above, these statements/reports are required documents of a full report. It would therefore appear that members have not been provided with a copy of the full report.

Please note that subsections 265(1) and 265(5) are both civil penalty provisions.

Notes to the financial statements

Note 1(I) Going Concern

Note 1(I) within the reporting unit's financial report accurately states that the State-registered entity and the Federally-registered entity are required to prepare separate financial reports. The note further explains that '*the legal title to specific assets (and their related transactions/balances) are vested either solely with the State-registered Union, or treated identically in both the State and Federal Unions for financial reporting purposes*'.

When looking at the statement '*or treated identically in both the State and Federal Unions*' this would imply that some of the items that are disclosed within the reporting unit's financial report, and therefore assumed to belong to the Federally-registered entity, also appear within the financial report of the State-registered entity that are lodged with the Industrial Relations Commission of New South Wales. It would appear therefore that the financial report lodged with the FWC is not in fact the financial report of the Federally-registered entity but a combination of both the Federally-registered entity and the State-registered entity. This could potentially mean that the financial report is not compliant with the requirements of the RO Act as it is not the financial report of the Federally-registered entity.

Please ensure that in future years the financial report prepared for the reporting unit reflects the financial performance and financial position of the entity registered under the RO Act and does not include information on the financial transactions of the State-registered entity.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4681 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line that tapers to the right.

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

CFMEU

CONSTRUCTION

27 June 2016

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Statutory Services Branch
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ATTENTION STEPHEN KELLETT

Dear Sir

Re: Financial Statements in respect of Financial year ending 31 December 2015

Please find enclosed the Financial Statements for the Construction, Forestry, Mining and Energy Union New South Wales Divisional Branch Construction and General Division, Secretary's Certificate and Statement of Loans, Grants and Donations.

It would be appreciated if you could provide acknowledgment in writing of your receipt of these returns.

Yours faithfully



KYLIE WRAY
General Manager



FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2015
SECRETARY'S CERTIFICATE

I, Brian Parker, being the Secretary of the Construction Forestry Mining and Energy Union, Construction and General Division, New South Wales Divisional Branch certify:

- (i) That the documents lodged herewith are copies of the full report for the Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch for the period ended 31 December 2015 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- (ii) That the full report was provided to members of the reporting unit on 16 April, 2016; and
- (iii) That the full report was presented to a Committee of Management of the reporting unit on 17th June, 2016 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.



BRIAN PARKER

Dated this 20th day of June 2016

Construction Forestry Mining and Energy Union

Construction and General Division

New South Wales Divisional Branch

Federally Registered Trade Union

Financial Statements

For the Year Ended 31 December 2015

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Financial Statements

For the Year Ended 31 December 2015

Contents

Operating Report	1
Committee of Management Statement	6
Statement of Profit or Loss and Other Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Recovery of Wages Activity	45
Independent Audit Report	46

Construction Forestry Mining and Energy Union Construction and General Division

New South Wales Divisional Branch

Operating Report

31 December 2015

The Committee of Management present their report on Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch for the financial year ended 31 December 2015.

Information on Committee of Management

The names of each person who has been on the Committee of Management during the year are:

Name	Position	Period of Appointment
Mr B Parker	Secretary	1/1/15 - 31/12/15
Ms R Mallia	President	1/1/15 - 31/12/15
Mr R Hanlon	Assistant Secretary	1/1/15 - 31/12/15
Mr R Kera	Assistant Secretary	1/1/15 - 31/12/15
Mr L Abarca	COM Member	1/1/15 - 31/12/15
Mr S Andrew	COM Member	1/1/15 - 31/12/15
Mr J Barrios	COM Member	1/1/15 - 31/12/15
Mr J Burns	COM Member	1/1/15 - 31/12/15
Mr H Byrnes	COM Member	1/1/15 - 31/12/15
Mr M Cambourn	COM Member	1/1/15 - 31/12/15
Mr G Cameron	COM Member	1/1/15 - 31/12/15
Mr C Chapman	COM Member	1/1/15 - 31/12/15
Mr E Coelho	COM Member	1/1/15 - 30/7/15
Mr S Costigan	COM Member	1/1/15 - 31/12/15
Mr J Faulkner	COM Member	1/1/15 - 31/12/15
Mr P Genovese	COM Member	1/1/15 - 31/12/15
Mr D Hackett	COM Member	1/1/15 - 31/12/15
Mr T Huskinson	COM Member	24/4/15 - 31/12/15
Mr M Hammoud	COM Member	1/1/15 - 31/12/15
Mr R Jaram	COM Member	1/1/15 - 31/12/15
Mr M Jones	COM Member	1/1/15 - 31/12/15
Mr P Kenniff	COM Member	1/1/15 - 31/12/15
Mr D McNamara	COM Member	1/1/15 - 31/12/15
Mr P Midson	COM Member	1/1/15 - 31/12/15
Mr G Preston	COM Member	1/1/15 - 31/12/15
Mr D Radic	COM Member	1/1/15 - 31/12/15
Mr D Reeves	COM Member	1/1/15 - 31/12/15
Mr C Sgroi	COM Member	1/1/15 - 20/2/15
Mr L Valesini	COM Member	1/1/15 - 31/12/15
Mr B Wesbter	COM Member	1/1/15 - 31/12/15
Mr W Whitney	COM Member	1/1/15 - 31/12/15

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Operating Report

31 December 2015

Principal activities

The principal activities of Construction Forestry Mining & Energy Union Construction and General Division New South Wales Divisional Branch during the financial year were:

- Implementation of Divisional Executive Decisions.
- Maintenance of Union Rules, Registrations and Affiliations.
- The negotiation of enterprise bargaining agreements and project agreements to improve wage rates and conditions of employment for members.
- The election and training of workplace Union delegates to strengthen worker's rights.
- The systematic checking of sites by Union organisers to maintain and improve workplace safety.
- The recruitment of members to the Union to increase Union strength.
- The training of Union officials and staff to better equip the Union to effectively represent and organise workers.
- The audit of employers to ensure compliance with agreement, award and statutory obligations.
- Assistance to workers and sub contract companies unpaid when contractors go bust.
- Representation and assistance to injured workers to assist them in respect of workers compensation and return to work.
- Representation and assistance to members unfairly sacked and victimised.
- The variation of awards to enhance the rights and entitlements of workers.
- Involvement in the broader trade union movement to strengthen trade union unity and influence.
- Media and other communications to our members and the broader community on issues affecting the rank and file to improve worker and community understanding of the role and relevance of the CFMEU and trade unionism.
- International Trade Union Unity.
- Campaigns against unjust and repressive labour laws introduced by the Federal Liberal Government.

No significant changes in the nature of the Union's activity occurred during the financial year.

Operating results and review of operations for the year

Operating results

The deficit of the Union amounted to \$ 47,644 (2014: Surplus of \$593,998).

Review of operations

A review of the operations and the results of the Union is performed fortnightly in the meetings of the Executive Officers and monthly by the Committee of Management. Additionally, such matters are considered monthly at a regular meeting of the General Officers' of the Union.

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 Union, the results of those operations or the state of affairs of the Union in future financial years.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Operating Report

31 December 2015

Right of members to resign

All members of the Union have the right to resign in accordance with Rule 11 of the Union Rules [and section 174 of the Fair Work (Registered Organisations) Act 2009].

Superannuation Trustees

Ms Rita Mallia is a director of United Super Pty Limited which acts as Trustee of CBus.

No other officer or employee 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 18,739 members of the Union as at 31 December 2015 (2014: 19,044).

Number of employees

As at 31 December 2015 the Union had 61 full-time equivalent employees (2014: 59).

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Operating Report

31 December 2015

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

Name	Name of organisation	Purpose of organisation	Nominated by the Union
Sherrri Hayward	Unions NSW WHS and Injured Workers Committee	Workplace Health and Safety	Yes
Rebel Hanlon	West Tradies	Community Club	No
Leah Charlson	ACIRT Pty Limited	Trustee redundancy fund	Yes
Terry Kesby	Officer Solidarity NSW Pty Ltd	Administer Officers' Solidarity Fund	No
Rita Mallia	ACIRT Pty Limited	Trustee redundancy fund	Yes
	Asbestos Disease Research Foundation	Scientific research	Yes
	United Super Pty Ltd	Superannuation trustee	Yes
	UPlus Pty Ltd	Insurance	Yes
	Vice-President Unions NSW	Peak body of trade unions in NSW	Yes
Keryn McWhinney	Officer Solidarity NSW Pty Ltd	Administer Officers' Solidarity Fund	No
	Vocational Training Tribunal		
	Vocational Training Appeal Panel		
	Unions NSW Women's Committee		
	Building & Construction Industry Long Service Payments Corporation		
David Curtain	Office Solidarity NSW Pty Ltd	Administer Officers' Solidarity Fund	No
Brian Parker	Mates In Construction	Suicide prevention	Yes
	Officer Solidarity NSW Pty Ltd	Administer Officers' Solidarity Fund	No
	UPlus Pty Ltd	Insurance	Yes
	Comet Training	Training	Yes
	Committee to Defend Trade Union Rights	Committee to defend trade unions and support peace, social justice and worker's rights	Yes
	The Construction Industry, Welfare, Education and Training Resources Association Ltd	Training	Yes
Michael Preston	ACIRT Pty Limited	Trustee redundancy fund	Yes
	Demolition and Asbestos Consultative Committee (DACC)		Yes
	Industry Plant Consultative Committee		Yes
	Brian Miller Construction Safety Forum		Yes
	Unions NSW WHS and Injured Workers Committee		Yes
	Australian Standards		Yes
	Asbestos Safety and Eradication Agency (ASEA)		Yes
Radhika Raju	Jibbron Pty Ltd	Family company	No

**Construction Forestry Mining and Energy Union Construction and General Division
New South Wales Divisional Branch**

Operating Report

31 December 2015

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

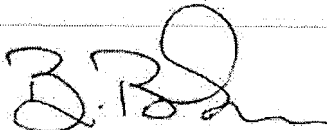
Name	Name of organisation	Purpose of organisation	Nominated by the Union
Kylie Wray	Foundation House	Drug and alcohol rehabilitation	Yes
	Officer Solidarity NSW Pty Ltd	Administer Officers' Solidarity Fund	No
	Industrial Health & Research Foundation	Health centre	Yes
	The Trade Union Centre Wollongong Pty Ltd	Administration of a jointly owned building	Yes
	The Construction Industry, Welfare, Education and Training Resources Association Ltd	Training	Yes
Jose Mario Barrios	BTG Drug and Alcohol Committee	Provide drug and alcohol counselling and training	Yes
	The Construction Industry, Welfare, Education and Training Resources Association Ltd	Training	Yes
	UPlus Pty Ltd	Insurance	Yes
Dani Cooper	West Tradies	Community Club	No
	Friends of Bundeena Library Secretary	Community	No
Steve Costigan	Bundeena Maianbar Football Club Registrar	Sport	No
	Bundeena Public School P&M Member	Primary School Education	No
	The Construction Industry, Welfare, Education and Training Resources Association Ltd	Training	Yes
Steve Costigan	UPlus Pty Ltd	Insurance	Yes
	Comet Training	Training	Yes

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

Brian Parker
Secretary

11 May 2016

Sydney



Construction Forestry Mining and Energy Union Construction and General Division

New South Wales Divisional Branch

Committee of Management Statement

For the year ended 31 December 2015

On 11 May 2016 the Committee of Management of the Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2015:

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 of the Fair Work Commission (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) the financial records of the reporting unit, have been kept, as far as practicable, in a manner consistent with each of the reporting units of the organisation; and
 - v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act it has been provided to the member or General Manager; and
 - vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) 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
 - 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

**Construction Forestry Mining and Energy Union Construction and General Division
New South Wales Divisional Branch**

Committee of Management Statement

For the year ended 31 December 2015

- 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.

Brian Parker
Secretary

11 May 2016
Sydney



**Construction Forestry Mining and Energy Union Construction and General Division
New South Wales Divisional Branch**

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2015

	Note	2015 \$	2014 \$
Revenue	3	10,301,493	9,348,465
Other income	3	898,700	981,265
Employee benefits expense	4	(7,424,081)	(6,379,435)
Capitation fees	4	(793,804)	(743,179)
Motor vehicle expenses		(227,332)	(277,837)
Legal costs	4	(692,152)	(271,872)
Depreciation and amortisation expense	8(a)	(217,480)	(236,545)
Distribution and printing expenses		(182,433)	(235,040)
Property expenses		(159,465)	(174,123)
Levies	4	(215,691)	(150,060)
Travel and accommodation costs		(124,965)	(132,057)
Insurance expenses		(197,157)	(129,914)
Affiliation fees	4	(132,678)	(128,215)
Other expenses		(810,550)	(813,342)
Impairment of loan to related party	6	(69,226)	(61,406)
Share of net profits of equity-accounted associates and joint ventures		(823)	(2,707)
Result for the year		(47,644)	593,998
Other comprehensive income:			
Changes in fair value of available-for-sale financial assets		207	497
Total comprehensive income for the year		(47,437)	594,495

The accompanying notes form part of these financial statements.

Construction Forestry Mining and Energy Union Construction and General Division
New South Wales Divisional Branch

Balance Sheet

As at 31 December 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	680,015	818,581
Trade and other receivables	6	855,857	1,025,589
Other financial assets	7	284,720	282,141
TOTAL CURRENT ASSETS		1,820,592	2,126,311
NON-CURRENT ASSETS			
Trade and other receivables	6	1,110,575	288,648
Investment in associates	17	12,228	13,051
Investment in joint venture	18	100	100
Property, plant and equipment	8	532,656	693,789
TOTAL NON-CURRENT ASSETS		1,655,559	995,588
TOTAL ASSETS		3,476,151	3,121,899
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,716,073	1,565,318
Employee benefits	11	2,958,769	2,307,357
Other liabilities	10	21,650	470,559
TOTAL CURRENT LIABILITIES		4,696,492	4,343,234
NON-CURRENT LIABILITIES			
Employee benefits	11	145,685	97,254
TOTAL LIABILITIES		4,842,177	4,440,488
NET ASSET DEFICIENCY		(1,366,026)	(1,318,589)
EQUITY			
Reserves	12	3,825	3,618
Retained earnings		(1,369,851)	(1,322,207)
TOTAL EQUITY		(1,366,026)	(1,318,589)

The accompanying notes form part of these financial statements.

**Construction Forestry Mining and Energy Union Construction and General Division
New South Wales Divisional Branch**

Statement of Changes in Equity

For the Year Ended 31 December 2015

	Retained Earnings	Financial Assets Reserve	Total
	\$	\$	\$
Balance at 1 January 2015	(1,322,207)	3,618	(1,318,589)
Result for the year	(47,644)	-	(47,644)
Other comprehensive income	-	207	207
Balance at 31 December 2015	(1,369,851)	3,825	(1,366,026)

	Retained Earnings	Financial Assets Reserve	Total
	\$	\$	\$
Balance at 1 January 2014	(1,916,205)	3,121	(1,913,084)
Result for the year	593,998	-	593,998
Other comprehensive income	-	497	497
Balance at 31 December 2014	(1,322,207)	3,618	(1,318,589)

The accompanying notes form part of these financial statements.

**Construction Forestry Mining and Energy Union Construction and General Division
New South Wales Divisional Branch**

Statement of Cash Flows

For the Year Ended 31 December 2015

	2015	2014
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and contributions	11,896,041	10,910,373
Payments to suppliers and employees	(11,072,046)	(10,101,518)
Interest received	25	14
Net cash provided by operating activities	22(a) <u>824,020</u>	<u>808,869</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for plant and equipment	(69,061)	(346,571)
Net payments for held to maturity investments	(2,372)	(274,916)
Net cash used in investing activities	<u>(71,433)</u>	<u>(621,487)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net movement in related party receivable	(891,153)	-
Net cash used by financing activities	<u>(891,153)</u>	-
Net (decrease)/increase in cash and cash equivalents held	(138,566)	187,382
Cash and cash equivalents at beginning of year	818,581	631,199
Cash and cash equivalents at end of financial year	5 <u>680,015</u>	<u>818,581</u>

The accompanying notes form part of these financial statements.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

The financial report covers the Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch ("the Union") as an individual accounting reporting unit. The Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch is a not-for-profit Union, which is an organisation of employees registered under the *Fair Work (Registered Organisations) Act 2009* ("the RO Act"). In accordance with the RO Act, the Union is a separate accounting reporting unit with perpetual succession, and accordingly, by virtue of this method of incorporation, the Union is not subject to the *Corporations Act 2001*.

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 the applicable Australian Accounting Standards and Interpretations issued by the Australia Accounting Standards Board (AASB) and the *Fair Work (Registered Organisations) Act 2009*.

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.

Separation of the State-registered and Federally-registered legal entities

The Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch ("the Federally-registered Union") has dual registration as being a Federally-registered Union as well as being the counterpart federal body of a Division of a State-registered Union. The Divisional Branch of the Federally-registered Union and the State Construction and General Division of the State-registered Union have the same members, the same Committee of Management members and the same Officials. Legal advice has been obtained that confirms that they are in fact constituent parts of separate legal entities.

Under the principles established by the two leading authorities in this area, namely *Moore v. Doyle (1969) 15 FLR 59 (Full Federal Court) and McLannet; ex parte Minister for Employment (etc.) Queensland and Another (Full High Court reported at (1997) 189 CLR 654)* the Federally-registered Union has prepared and lodged a separate financial report to that of the State-registered union, being the Construction Forestry Mining and Energy Union (New South Wales Branch) Construction and General Division. For further information on the separation of the entities and their respective assets, refer to note 1(l).

The Committee of Management continues to believe that the dual registrations as both a State-registered and Federally-registered Union is still appropriate.

Accordingly, these financial statements have been prepared for the Federally-registered Union's Divisional Branch.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (Continued)

(b) Comparative figures

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

When the Union applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a balance sheet as at the beginning of the earliest comparative period will be presented.

(c) Principles of consolidation

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 Construction and General Division New South Wales Divisional Branch 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.

Construction Forestry Mining and Energy Union Construction and General Division

New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (Continued)

(c) Principles of consolidation (Continued)

Associates

Interests in associates, where the investor has significant influence over the investee, 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.

(d) Property, plant and equipment

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

Under cost model, 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

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Union, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Buildings	2%
Furniture, Fixtures and Fittings	9 - 20%
Motor Vehicles	20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial instruments

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.

Construction Forestry Mining and Energy Union Construction and General Division

New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (Continued)

(e) Financial instruments (Continued)

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).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Union's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Construction Forestry Mining and Energy Union Construction and General Division

New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (Continued)

(e) Financial instruments (Continued)

In some circumstances, the Union renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Union does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future or
- designated by the entity to be carried at fair value through profit or loss upon initial recognition.

Assets included within this category are carried in the balance sheet at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Union's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Construction Forestry Mining and Energy Union Construction and General Division

New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (Continued)

(e) Financial instruments (Continued)

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in prior period consolidated statement of profit or loss and other comprehensive income statements resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Union's financial liabilities include trade and other payables, which are measured at amortised cost using the effective interest rate method.

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.

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.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Construction Forestry Mining and Energy Union Construction and General Division

New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (Continued)

(e) Financial instruments (Continued)

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) 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.

(g) 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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period 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. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(h) 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.

(i) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Union and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Construction Forestry Mining and Energy Union Construction and General Division

New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (Continued)

(i) Revenue and other income (Continued)

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Membership subscriptions

Revenue in relation to membership subscriptions is recognised on an accruals basis over the period of the membership.

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

(j) Funds held in trust

From time to time the Union will collect voluntary contributions from members, employers and other sources for furtherance of particular purposes, such as an appeal for the benefit of a member or the members as a group. For accounting purposes, these transactions are not treated as revenue as the Union is only operating as a facilitator to co-ordinate and collect funds for such appeals. Accordingly, all unspent/untransferred monies have been credited to the "Funds held in trust" account, as referred to in Note 10.

(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 payable 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 balance sheet.

Cash flows in the 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.

Construction Forestry Mining and Energy Union Construction and General Division

New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (Continued)

(l) Going concern

This financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

As at 31 December 2015:

- There was a net asset deficiency of \$1,366,026 (2014: \$1,318,589); and
- There was a net deficiency in current assets of \$2,875,900 (2014: \$2,216,923)

The distinction between the State and Federal registrations requires the preparation of separate financial reports. Refer to Note 1(a) for further information. The legal title to specific assets (and their related transactions/balances) are vested either solely with the State-registered Union, or treated identically in both the State and Federal Unions for financial reporting purposes. Accordingly, those assets vested solely with the State-registered Union have been excluded from this financial report, thus contributing significantly to the establishment of the net asset deficiencies noted above.

As at 31 December 2015, with the financial report of the State-registered Union (having positive net assets and a surplus of current assets over current liabilities) being prepared on a going concern basis, the Committee of Management believe that the Union (having the same members, the same Committee of Management members and the same Officials as the State-registered Union) will continue as a going concern.

(m) Change in accounting policy and key estimates

Recent research has concluded that there is an observable, deep and liquid market in high quality corporate bonds in Australia. This is sufficient to conclude that it is no longer appropriate to use a government bond rate to discount employee benefit liabilities and a corporate bond rate should be used to satisfy the requirements of AASB 119 Employee benefits.

As a consequence of the change of estimate, the leave obligation liabilities have been measured at the corporate bond rate as at 31 December 2015. A gain of \$210,081 was recorded in employee benefits expenses within profit or loss.

The Union is unable to estimate the effect in future years due to the uncertainty of the movement of the bond rates.

From 1 January 2015, the Union has increased the expected future wage increase from 5% to 9% in relation to the calculation of leave obligation liabilities. This has resulted in an increased provision at balance date by \$596,667 with a corresponding increase in the employee benefits expense within profit or loss.

Construction Forestry Mining and Energy Union Construction and General Division

New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (Continued)

(n) Adoption of new and revised accounting standards

During the current year, there have been no new or revised accounting standards that have become mandatory, which have had a material impact (in the current year or retrospectively) upon the measurement of assets, liabilities, equity, income or expenses, nor upon the disclosures required in this financial report.

(o) 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 Union has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Union where the standard is relevant:

(i) AASB 9 Financial Instruments

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting and a new impairment model. The standard is not applicable until 1 January 2018 but is available for early adoption.

Following the changes approved by the AASB in December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.

While the Union has yet to undertake a detailed assessment, it is expected that there will be no impact on the Union's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Union does not have any such liabilities.

The Union has not yet decided whether it should adopt AASB 9 before its mandatory date. Based on the transitional provisions in the completed AASB 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety.

(ii) AASB 15 Revenue from contracts with customers

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

Construction Forestry Mining and Energy Union Construction and General Division

New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (Continued)

(o) New Accounting Standards and Interpretations (Continued)

(ii) AASB 15 Revenue from contracts with customers (Continued)

The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 July 2017), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.

At this stage, the Union is not able to estimate the impact of the new rules on the Union's financial statements. The Union will make more detailed assessments of the impact over the next twelve months.

(p) 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.

(q) Related party disclosures

Related party disclosures in this financial report are presented on an accruals basis. Whilst the financial records of the Union have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation, the balances and transactions reported in this financial report may differ to those recorded in the financial report of the counterparty reporting unit. This may arise due to timing differences in the respective recordkeeping of the related reporting units, for example, in the receipt of payments, correspondence in transit or the alternative categorisation of balances/transactions.

2 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Union assesses impairment at the end of each reporting period by evaluating conditions specific to the Union that may be indicative of impairment triggers.

Construction Forestry Mining and Energy Union Construction and General Division

New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

2 Critical Accounting Estimates and Judgments (Continued)

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

3 Revenue and other income

	Note	2015 \$	2014 \$
Revenue from continuing operations			
- Membership subscriptions		9,272,563	8,324,187
- Fighting Levy		100,826	79,322
- Defend the Union National Campaign Levy	21	215,691	150,060
- Safety dinner		93,239	62,191
- Fighting fund receipts		301,816	396,474
- Attendance fees		55,197	67,648
- Promotion and advertising reimbursements		78,980	149,946
- EBA services		183,181	118,637
- Grants		-	-
- Donations		-	-
- Capitation fees		-	-
		10,301,493	9,348,465
Other revenue			
- Interest received		25	14
- Other income		176,750	275,929
- Picnic sponsorships		290,824	262,410
- Shared service agreement		410,633	421,353
- Debt forgiveness from State-registered Union	9(b)	-	12,572
- Gain on disposal of assets		20,468	8,987
		898,700	981,265

Refer to note 1(q) to further commentary in relation to the consistency of transactions and balances between reporting units.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

4 Result for the year

The result for the year includes the following specific expenses

	Note	2015 \$	2014 \$
Employee benefits expense comprises:			
<i>Office holders:</i>			
- Wages and salaries		622,903	552,629
- Superannuation		74,848	76,799
- Leave and other entitlements		214,805	(63,342)
- Separation and redundancies		22,817	18,908
- Other employee expenses		43,041	38,331
		<u>978,414</u>	<u>623,325</u>
<i>Employees other than office holders:</i>			
- Wages and salaries		4,906,987	4,860,761
- Superannuation		575,353	497,987
- Leave and other entitlements		485,038	(69,807)
- Separation and redundancies		144,500	145,574
- Other employee expenses		333,789	321,595
		<u>6,445,667</u>	<u>5,756,110</u>
Total employee benefits expense		<u><u>7,424,081</u></u>	<u><u>6,379,435</u></u>
Other expenses:			
Capitation fees paid to CFMEU C&G National Office	21	<u>793,804</u>	<u>743,179</u>

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

4 Result for the year (Continued)

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

	Note	2015 \$	2014 \$
Affiliation fees			
Asbestos Disease Foundation of Australia		60	60
Australian Labor Party		71,522	74,808
CRUMA		100	50
Hiroshima Day Committee		120	-
Philippines Australia Union Link		50	50
Newcastle Trades Hall		3,374	3,298
Sydney Alliance		5,213	-
Unions NSW - Labor Council of NSW		47,406	46,391
Unions NSW South Coast Labor Council		2,196	2,148
West's Tradies		1,330	150
Workers Educational Association		68	68
Workers Health Centre		1,239	1,192
		132,678	128,215
Levy - Defend the Union National Campaign Levy - CFMEU C&G National Office	21	215,691	150,060
Fees/allowances - meeting and conferences		31,743	28,699
Conference and meeting expenses		18,617	917
Donations - less than \$1,000		1,080	-
Donations - greater than \$1,000		23,000	-
Grants - less than \$1,000		-	-
Grants - greater than \$1,000		-	-
Penalties - via RO Act or RO Regulations		-	-
Consideration to employers for payroll deductions		-	-
Legal costs - litigation		446,663	77,504
Legal costs - other legal matters		35,644	49,582
Legal costs - Royal Commission costs		209,845	144,787
		692,152	271,873

Refer to note 1(q) to further commentary in relation to the consistency of transactions and balances between reporting units.

**Construction Forestry Mining and Energy Union Construction and General Division
New South Wales Divisional Branch**

Notes to the Financial Statements

For the Year Ended 31 December 2015

5 Cash and cash equivalents

	Note	2015 \$	2014 \$
Cash on hand		9,000	9,100
Cash at bank		671,015	809,481
		680,015	818,581

6 Trade and other receivables

CURRENT

Trade receivables		428,276	497,647
Provision for impairment	6(b)	-	(20,725)
Prepayments		231,317	204,628
Related party receivable	6(a)	-	224,932
Other receivables		196,264	119,107
		855,857	1,025,589

NON-CURRENT

Related party receivable - State-registered Union	21	891,153	-
Loan - Comet Training Trust		362,544	362,544
Provision for impairment	(b)	(143,122)	(73,896)
		1,110,575	288,648

The Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch had previously advanced funds to an associate, the Comet Training Trust. The funds advanced have no set repayment date, with the timing of cash flows uncertain and dependent on the profitability of the associate. Each balance date an assessment of the recoverable amount is performed, with any excess over the carrying value provided for and charged to the statement of comprehensive income, thus ensuring that the carrying value does not exceed its recoverable amount. For the year ended 31 December 2015 the provision increased by \$69,226 (2014: \$62,212).

(a) Receivables from other reporting units

CFMEU C&G National Office	21	-	224,932
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**Construction Forestry Mining and Energy Union Construction and General Division
New South Wales Divisional Branch**

Notes to the Financial Statements

For the Year Ended 31 December 2015

6 Trade and other receivables (Continued)

(b) Provision for doubtful debts

Movement in provision for impairment of receivables is as follows:

	2015	2014
	\$	\$
Balance at beginning of the year	94,621	32,409
Additional impairment loss recognised	69,226	62,212
Reversal of impairment	(20,725)	-
Balance at end of the year	143,122	94,621

The following table details the Union'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 Union 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 Union.

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	
	\$	\$	\$	\$	\$	\$	\$
2015							
Trade and term receivables	428,276	-	-	4,730	7,370	141,489	274,687
Other receivables	196,264	-	-	-	-	74,104	122,160
Total	624,540	-	-	4,730	7,370	215,593	396,847
2014							
Trade and term receivables	497,647	20,725	-	22,957	2,249	293,179	155,537
Other receivables	344,040	-	-	-	-	-	344,040
Total	841,687	20,725	-	22,957	2,249	293,179	499,577

Refer to note 1(q) to further commentary in relation to the consistency of transactions and balances between reporting units.

**Construction Forestry Mining and Energy Union Construction and General Division
New South Wales Divisional Branch**

Notes to the Financial Statements

For the Year Ended 31 December 2015

7 Other financial assets

	2015	2014
Note	\$	\$
CURRENT		
Available for sale financial assets	(a) 7,432	7,225
Held-to-maturity financial assets	(b) 277,288	274,916
Total current assets	<u>284,720</u>	<u>282,141</u>

(a) Available-for-sale financial assets comprise:

Listed investments		
- shares in other corporations - fair value	<u>7,432</u>	<u>7,225</u>

(b) Held-to-maturity investments comprise:

Fixed interest term deposits	<u>277,288</u>	<u>274,916</u>
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8 Property, plant and equipment

Furniture, fixture and fittings		
At cost	1,445,453	1,441,790
Accumulated depreciation	(1,294,703)	(1,202,585)
Total furniture, fixture and fittings	<u>150,750</u>	<u>239,205</u>
Motor vehicles		
At cost	1,050,025	1,179,200
Accumulated depreciation	(668,119)	(724,616)
Total motor vehicles	<u>381,906</u>	<u>454,584</u>
Total property, plant and equipment	<u><u>532,656</u></u>	<u><u>693,789</u></u>

**Construction Forestry Mining and Energy Union Construction and General Division
New South Wales Divisional Branch**

Notes to the Financial Statements

For the Year Ended 31 December 2015

8 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:

	Furniture, Fixtures & Fittings \$	Motor Vehicles \$	Total \$
Year ended 31 December 2015			
Balance at the beginning of year	239,205	454,584	693,789
Additions	3,663	65,398	69,061
Disposals - written down value	-	(12,714)	(12,714)
Depreciation expense	(92,118)	(125,362)	(217,480)
Balance at the end of the year	150,750	381,906	532,656

	Furniture, Fixtures & Fittings \$	Motor Vehicles \$	Total \$
Year ended 31 December 2014			
Balance at the beginning of year	289,614	300,260	589,874
Additions	56,334	290,237	346,571
Disposals - written down value	(4,647)	(1,464)	(6,111)
Depreciation expense	(102,096)	(134,449)	(236,545)
Balance at the end of the year	239,205	454,584	693,789

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

9 Trade and other payables

	Note	2015 \$	2014 \$
CURRENT			
Trade payables		26,730	-
Sundry payables and accrued expenses		306,925	566,554
Capitation fees payable		36,902	-
Legal costs payable - Litigation		227,969	34,100
Legal costs payable - Other		-	-
Consideration to employers for payroll deductions		-	-
Payable to State-registered Union	9(b)	-	-
Unearned income		1,117,547	964,664
		1,716,073	1,565,318
(a) Payables to other reporting entities:			
CFMEU C&G National Office	21	206,804	65,555
CFMEU C&G Victoria	21	754	-
		207,558	65,555

(b) Debt forgiven

As at 31 December 2014, the net liability to the State-registered Union, after excluding all State-registered Union assets and transactions from this financial report [refer note 1(a)], was \$12,572. This was written off in accordance with a special resolution of the State-registered Union. The net balance at 31 December 2015 is a receivable of \$891,153 - refer note 6.

Refer to note 1(q) to further commentary in relation to the consistency of transactions and balances between reporting units.

10 Other liabilities

Fund held in trust	10,442	459,351
Unexpended grants carried forward	11,208	11,208
	21,650	470,559

**Construction Forestry Mining and Energy Union Construction and General Division
New South Wales Divisional Branch**

Notes to the Financial Statements

For the Year Ended 31 December 2015

11 Employee benefits

	2015	2014
	\$	\$
CURRENT		
Long service leave	1,692,850	1,321,464
Annual leave	1,265,919	985,893
Separation and redundancies	-	-
	<u>2,958,769</u>	<u>2,307,357</u>
NON-CURRENT		
Long service leave	145,685	97,254
Annual leave	-	-
Separation and redundancies	-	-
Other	-	-
	<u>145,685</u>	<u>97,254</u>
(a) Total employee benefits attributable to:		
Office Holders:		
Annual leave	197,096	125,518
Long service leave	287,921	144,694
Separations and redundancies	-	-
Other	-	-
	<u>485,017</u>	<u>270,212</u>
Employees other than office holders:		
Annual leave	912,009	757,999
Long service leave	1,550,614	1,274,024
Separation and redundancies	-	-
Other	156,814	102,376
	<u>2,619,437</u>	<u>2,134,399</u>
Total	<u><u>3,104,454</u></u>	<u><u>2,404,611</u></u>

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

12 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.

13 Capital and leasing commitments

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	2015	2014
	\$	\$
Payable - minimum lease payments:		
- no later than 1 year	84,413	81,955
- between 1 year and 5 years	43,473	127,886
	<u>127,886</u>	<u>209,841</u>

Operating leases have been taken out for properties. Lease payments are adjusted on an annual basis to reflect market rentals.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

14 Financial risk management

The main risks Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch 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 Union's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

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

	Note	2015 \$	2014 \$
Financial Assets			
Cash and cash equivalents	5	680,015	818,581
Trade receivables	6	428,276	497,647
Other receivables	6	196,264	344,040
Held-to-maturity investments	7	277,288	274,916
Loans receivable	6	1,110,575	288,648
Available-for-sale financial assets - at fair value:			
- listed shares in other corporations	7	7,432	7,225
Total financial assets		2,699,850	2,231,057
Financial Liabilities			
Trade and other payables	9	609,967	600,654

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

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 balance sheet due to the effect of discounting.

Financial liability maturity analysis - Non-derivative

	On demand		Total	
	2015 \$	2014 \$	2015 \$	2014 \$
Financial liabilities due for payment				
Trade and other payables	609,967	600,654	609,967	600,654

Construction Forestry Mining and Energy Union Construction and General Division

New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

14 Financial risk management (Continued)

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 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 Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

14 Financial risk management (Continued)

Net income and expense from Financial Assets

	2015	2014
	\$	\$
Held-to-maturity		
Interest revenue	25	14
Available for sale		
Gain recognised in equity	207	497

15 Interests of Key Management Personnel

The totals of remuneration paid to the key management personnel of Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch during the year are as follows:

Short-term employee benefits	694,481	506,039
Other long-term benefits	143,227	(16,752)
Post-employment benefits	74,848	76,799
Termination benefits	22,816	18,908
	<u>935,372</u>	<u>584,994</u>

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

16 Auditor's remuneration

	2015	2014
	\$	\$
Remuneration of the auditor of the Union, Daley & Co Chartered Accountants, for:		
- auditing or reviewing the financial statements	49,800	53,000
- taxation services	2,200	2,200
	<u>52,000</u>	<u>55,200</u>

17 Interests in Associates

Aggregate information for associates that are not individually material

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch has interests in one associate, being UPlus, which is not considered individually material. The table below summarises the financial information.

Carrying amount of investments in associates that are not individually material	<u>12,228</u>	13,051
Share of those associates:		
Profit or loss from continuing operations	<u>12,228</u>	13,051

18 Interests in Joint Ventures

The Union has joint control over the Comet Training Trust. The carrying value of this investment at 31 December 2015 is \$100 (2014: \$100).

19 Fair Value Measurement

The Union measures its financial assets, being listed shares at fair value on a recurring basis.

- Financial assets
 - Listed Shares

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

19 Fair Value Measurement (Continued)

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.

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

	Level 1	Level 2	Level 3	Total
31 December 2015	\$	\$	\$	\$
Recurring fair value measurements				
Financial assets				
Listed Shares	7,432	-	-	7,432

	Level 1	Level 2	Level 3	Total
31 December 2014	\$	\$	\$	\$
Recurring fair value measurements				
Financial assets				
Listed Shares	7,225	-	-	7,225

20 Contingent liabilities and contingent assets

Contingent Liabilities

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch had the following contingent liabilities at the end of the reporting period:

Five claims have been lodged against the Union in respect of alleged contraventions of the Fair Work Act 2009 arising out of incidents on construction sites. The Union is currently defending these actions and it is uncertain as to whether the claims will be successful. Furthermore, whilst fines the ultimate outcomes of these claims (individually and collectively) cannot be measured reliably.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

20 Contingent liabilities and contingent assets (Continued)

The Union has indemnified an employee for legal costs incurred in relation to defamation proceedings brought about by the Union on the employee's behalf. In the event that the matter is unsuccessful the Union would be liable for legal costs however the Union is confident of its prospects of success.

Subsequent to the balance date, the FWBII has commenced prosecution of the Union in respect of two matters which took place prior to year-end, relating to alleged contraventions of the Fair Work Act 2009 arising out of incidents on construction sites. The Union is currently defending these matters and given the very recent raising of these claims it is uncertain as to whether the prosecution will be successful. Accordingly, the ultimate outcome cannot be measured reliably.

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

21 Related party transactions

Related Parties

(a) 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 15: Key Management Personnel Compensation.

(b) 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:

**Construction Forestry Mining and Energy Union Construction and General Division
New South Wales Divisional Branch**

Notes to the Financial Statements

For the Year Ended 31 December 2015

21 Related party transactions (Continued)

(i) Income

	Note	2015 \$	2014 \$
Fees and distributions from UPlus		410,633	421,353
Debt forgiveness - State-registered Union payable	9(b)	-	12,572
CFMEU C&G ACT - Reimbursement of Wages		-	1,421
CFMEU C&G ACT - Fundraiser		200	-
CFMEU C&G ACT - Safety Dinner		2,400	-
CFMEU C&G Queensland and Northern Territory - Merchandise		-	46
CFMEU C&G South Australia - Fundraiser		200	-
CFMEU C&G South Australia - Merchandise		1,540	-
CFMEU C&G Victoria - Fundraiser		200	-
CFMEU C&G Western Australia - Fundraiser		200	-
CFMEU C&G Western Australia - Reimbursement of airfares		1,293	-
CFMEU Forestry and Furnishing Products Division - Affiliation fees and luncheon		285	8,864
CFMEU C&G National - Travel & Entertainment reimbursement		4,464	-
CFMEU C&G National - Fundraiser		200	-
CFMEU C&G National - Merchandise		163	-
CFMEU C&G National - National Conference fees		2,337	-

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

21 Related party transactions (Continued)

(ii) Rental expense

	Note	2015 \$	2014 \$
CFMEU C&G National Office		71,563	69,955

(iii) Capitation and other fees

CFMEU C&G Queensland and Northern Territory - Sundry fees		21,717	1,137
CFMEU M&E Queensland - Sundry		-	733
CFMEU C&G Victoria - Sundry Income		-	3,000
CFMEU C&G Victoria - Legal fees		15,818	-
CFMEU C&G Western Australia - Fundraiser		2,000	-
CFMEU C&G ACT Branch - Merchandise		-	7,663
CFMEU C&G National Office - Capitation Fees		793,804	743,179
CFMEU C&G National Office - Campaign Levies		215,691	150,060
CFMEU C&G National Office - Royal Commission Costs*		209,845	144,787
CFMEU C&G National Office - Legal expenses		203,120	-
CFMEU C&G National Office - Sundry operating expenses		42,085	31,756
Builders Labourers Federation - Reimbursement of Employment expenses		-	16,172

(iv) Trade and other receivables

CFMEU C&G National Office		-	224,932
Receivable from Comet Training Trust		74,104	74,104
Rent receivable from Comet Training Trust		56,416	-
Receivable from UPlus Pty Limited		-	28,297
Receivable from State-registered Union		891,153	-

Loans to other related parties:

Loan to Comet Training Trust (net of impairment provision)		219,422	288,648
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* These costs are ultimately passed on to the CFMEU National.

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

21 Related party transactions (Continued)

(v) Trade and other payables:

	Note	2015 \$	2014 \$
CFMEU C&G Victoria		754	-
CFMEU C&G National Office		206,804	65,555
Payable to UPlus Pty Limited		5,000	5,000

Refer to note 1(q) to further commentary in relation to the consistency of transactions and balances between reporting units.

22 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:

Result for the year	(47,644)	593,998
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	217,480	236,545
- net loss on disposal of plant and equipment	12,714	6,111
- net (gain)/loss on revaluation of investment in associate	823	3,513
Changes in assets and liabilities:		
- decrease in trade and other receivables	265,649	(296,231)
- decrease in other assets	(26,691)	12,525
- increase/(decrease) in trade payables and other operating liabilities	(298,154)	385,557
- increase/(decrease) in employee benefits	699,843	(133,149)
Cashflow from operations	<u>824,020</u>	<u>808,869</u>

Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

22 Cash flow information (Continued)

(b) Cash flow information - cash inflows/(outflows) from other reporting units - (excluding GST)

	2015	2014
	\$	\$
CFMEU C&G ACT Branch	2,600	1,563
CFMEU C&G Queensland and Northern Territory Branch	-	(1,250)
CFMEU Forestry and Furnishing Products Division	285	9,750
CFMEU ACT Branch	-	(8,429)
CFMEU C&G Victorian Branch	(14,864)	(3,000)
CFMEU M&E Queensland Branch	-	(807)
CFMEU C&G Western Australia Branch	(507)	-
CFMEU C&G South Australian Branch	1,740	-
CFMEU C&G National Office	(1,196,052)	(1,407,803)
Builders Labourers Federation	-	(16,172)

Refer to note 1(q) to further commentary in relation to the consistency of transactions and balances between reporting units.

23 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 may significantly affect the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.

Construction Forestry Mining and Energy Union Construction and General Division

New South Wales Divisional Branch

Notes to the Financial Statements

For the Year Ended 31 December 2015

24 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or the General Manager of the Fair Work Commission:

1. A member of a reporting unit, or the General Manager of the Fair Work Commission, 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).

25 Additional disclosures required under the Fair Work (Registered Organisation) Act 2009

As required under the reporting guidelines provided for under section 255 of the Fair Work Act (Registered Organisation) Act 2009, it is confirmed that:

1. The Union's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit. Refer note 1(l) for further disclosure regarding the matters of going concern support relating to this Union.
2. The Union has not agreed or does not have an agreement to provide financial support to another reporting unit to ensure its ability as a going concern; and
3. The Union has not acquired an asset or liability as a result of amalgamation, restructure or alternative reporting unit determination or revocation.
4. The financial affairs of the Union are not administered by a third party.

**Construction Forestry Mining and Energy Union Construction and General Division
New South Wales Divisional Branch**

Recovery of Wages Activity

For the Year Ended 31 December 2015

	2015	2014
	\$	\$
Cash assets in respect of recovered money at the beginning of the year	6,300	4,122
Receipts		
Amounts recovered from employers in respect of wages	1,411,219	2,128,858
Payments		
Deductions of amounts due in respect of membership for:		
- 12 months or less	(34,933)	(41,393)
- Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
- The reporting unit - Fighting Fund	(31,505)	(30,590)
- Other entities:		
- ACIRT	(183,898)	(436,580)
- CBUS	(348,330)	(585,223)
- UPLUS	(4,582)	(3,608)
- Australian Super	(227)	-
Other payments	(59,739)	(87)
Payments to workers in respect of recovered monies	(752,491)	(1,029,120)
	(1,415,705)	(2,126,601)
Bank fees to be reimbursed	-	(79)
Cash assets in respect of recovered money at the end of the year	1,814	6,300
Number of workers to which receipts recovered from employers relate	840	1,821
Aggregate payables to workers attributable to recovered monies but not yet distributed:		
- Payable balance	1,814	6,300
- Number of workers to which undistributed wage recoveries relate	1,810	429

The accompanying notes form part of these financial statements.

Independent Audit Report

to the members of Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch

Report on the Financial Report

We have audited the accompanying financial report of Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch, which comprises the balance sheet as at 31 December 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Committee of Management Statement.

Committee of Management and Accounting Officer's Responsibility for the Financial Report

The Committee of Management and the Accounting Officer are 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 ("the RO Act"), 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 and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, 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 Construction and General Division New South Wales Divisional Branch

Opinion

In our opinion, the financial report is presented fairly, in all material respects, the financial position of Construction Forestry Mining and Energy Union Construction and General New South Wales Divisional Branch as at 31 December 2015, and of its financial performance and cash flows for the year then ended, in accordance with:

- (a) the Australian Accounting Standards;
- (b) in relation to recovery of wages activity;
 - i) the scope of our audit encompassed recovery of wages activity;
 - ii) the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the Reporting Guidelines of the General Manager of the Fair Work Commission ("the Reporting Guidelines"), including;
 - 1. any fees charged to, or reimbursements of expenses claimed from members and others for recovery of wages activity; and
 - 2. any donations or other contributions deducted from recovered money; and
- (c) any other requirements imposed by the Reporting Guidelines of Part 3 of Chapter 8 of the RO Act.

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand 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

Wollongong

11 May 2016

Liability limited by a scheme approved under Professional Standards Legislation



9 June 2016

Mr Brian Parker
Branch Secretary

Construction, Forestry, Mining and Energy Union-Construction and General Division, New South
Wales Divisional Branch

Sent via email: enquiries@nsw.cfmeu.asn.au

Dear Mr Parker,

Lodgement of Financial Report - Reminder to lodge on or before 15 July 2016

The Fair Work Commission's (the Commission) records disclose that the financial year of the Construction, Forestry, Mining and Energy Union-Construction and General Division, New South Wales Divisional Branch (the reporting unit) ended on the 31 December 2015.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the completion of the financial reporting process is six months and 14 days after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). For your reporting unit that requires lodgement of its financial report on or before **15 July 2016, and in any event no later than 14 days after the relevant meeting.**

The Commission encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$54,000 per contravention on the organisation and up to \$10,800 per contravention on an officer whose conduct led to the contravention.

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

We encourage you to lodge the full financial report directly to orgs@fwc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

Should you seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,

Sam Gallichio
Adviser
Regulatory Compliance Branch

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

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



15 January 2016

Mr Brian Parker
Branch Secretary
Construction, Forestry, Mining and Energy Union-Construction and General Division, New South Wales
Divisional Branch
Sent via email: enquiries@nsw.cfmeu.asn.au

Dear Mr Parker,

**Re: Lodgement of Financial Report - [FR2015/438]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Construction, Forestry, Mining and Energy Union-Construction and General Division, New South Wales Divisional Branch (the reporting unit) ended on 31 December 2015.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, namely 15 July 2016 (being the expiry date of 6 months and 14 days from the end of the financial year).

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. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website supported by a webinar presentation.

The Fair Work Commission has developed a model set of financial statements. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

I request that 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) be emailed, rather than posted, to orgs@fwc.gov.au. A sample statement of loans, grants or donations is available at [sample documents](#).

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 wish to seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,

Sam Gallichio
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.