



FAIR WORK
COMMISSION

26 February 2014

Mr Brian Parker
State Secretary
New South Wales Branch
Construction, Forestry, Mining and Energy Union
Locked BAG 1
LIDCOMBE NSW 1825

Dear Mr Parker

S.271 Certificate of Exemption - Construction, Forestry, Mining and Energy Union, New South Wales Branch - for year ending 31 December 2013 (FR2013/442)

I refer to the application dated 6 January 2014 which was lodged with the Fair Work Commission on 7 January 2014 for a certificate of exemption under s271 of the *Fair Work (Registered Organisations) Act 2009* in respect of the New South Wales Branch of the Construction, Forestry, Mining and Energy Union for the financial year ending 31 December 2013.

The application has been granted and the certificate is enclosed.

Yours sincerely

David Vale
Principal Adviser
Regulatory Compliance Branch
Fair Work Commission



CERTIFICATE

Fair Work (Registered Organisations) Act 2009

s.271—Certificate of exemption from requirements of Chapter 8, Part 3

Construction, Forestry, Mining and Energy Union
(FR2013/442)

MR ENRIGHT

MELBOURNE, 26 FEBRUARY 2014

Certificate of exemption from the requirements of Chapter 8, Part 3 of the Fair Work (Registered Organisations) Act 2009

[1] On 7 January 2014 an application was made under s.271(1) of the *Fair Work (Registered Organisations) Act 2009* (the Act) by the New South Wales Branch of the Construction, Forestry, Mining and Energy Union (the reporting unit) for a certificate of exemption in respect of the financial year ended 31 December 2013.

[2] The application states that:

- the reporting unit has not traded or carried out financial transactions of any kind and has not expended economic resources or incurred financial obligations to conduct its activities;
- various Divisional/District Branches within the State of New South Wales expend their own economic resources and incur financial obligations so that the reporting unit may conduct its activities; and
- no person or body corporate or trust expends its own economic resources or incurs financial obligations so that the reporting unit may conduct its activities.

[3] I am satisfied that the reporting unit did not have any financial affairs in respect of the financial year ended 31 December 2013.

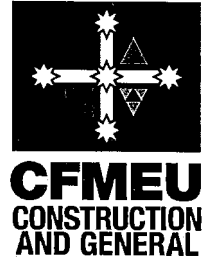


DELEGATE OF THE GENERAL MANAGER

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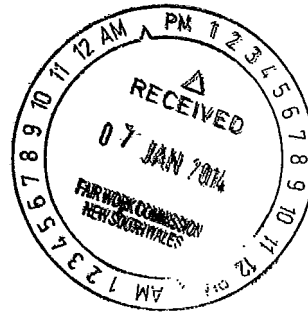
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CONSTRUCTION FORESTRY MINING AND ENERGY UNION NEW SOUTH WALES BRANCH



6 January, 2014

Fair Work Australia,
Statutory Services Branch
Level 8
80 William Street
East Sydney NSW 2011



Attn: David Vale

Dear Sir,

**Re: *Fair Work (Registered Organisations) Act 2009*
Section 271
Application for Certificate**

I am Secretary of the Construction, Forestry, Mining and Energy Union New South Wales Branch (the Branch) and occupied that position for the financial year ending 31st December 2013 (the financial year).

Pursuant to section 271 of the *Fair Work (Registered Organisations) Act 2009* (the Act), I hereby apply for a certificate of exemption for the Branch in respect of the financial year.

In support of this application I submit as follows:

1. The CFMEU consists of a number of Divisions.
2. There exists a number of Divisional Branches (or in the case of the Mining and Energy Division, District Branches) within these Divisions. Such Divisional (or District) Branches function within a designated geographical area, in most cases being the State or Territory in which they are established.
3. The CFMEU and each Division and Divisional (or District) Branch thereof submit annual financial returns in accordance with Chapter 8 of the Act.
4. CFMEU State Branches, including the Branch, consist of the members and officers of each Divisional (or District) Branch in each State or Territory.
5. The Branch has not had an account with a bank or any other financial institution nor has it had custody of any real property or monies during the financial year.
6. The Branch had no reason to keep accounting records and did not have any financial affairs during the financial year.

Construction Forestry
Mining and Energy Union
New South Wales Branch

Brian Parker
State Secretary
Rita Mallia
State President

12 Railway Street
LIDCOMBE

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1825

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7. The Branch has not traded or carried out financial transactions of any kind and has not expended economic resources or incurred any financial obligations to conduct its activities during the financial year.
8. The various Divisional/District Branches within the State of New South Wales expend their own economic resources and incur financial obligations so that the Branch may conduct its activities.
9. No person or body corporate or trust expends its own economic resources or incurs financial obligations so that the Branch may conduct its activities.
10. Notwithstanding the above, the Branch has functioned in accordance with the rules of the CFMEU including the rules relating to Branches.

Yours faithfully

A handwritten signature in black ink, appearing to read "Brian Poole". The signature is written in a cursive, slightly slanted style.

Secretary
CFMEU New South Wales Branch



CONSTRUCTION FORESTRY MINING AND ENERGY UNION
(NEW SOUTH WALES BRANCH)

6 January 2014

Mr Greg Kirkby
Industrial Organisations Section
NSW Industrial; Registrar
Box 3670 GPO
SYDNEY NSW 1044

Dear Sir

Re: FINANCIAL STATEMENTS IN RESPECT OF THE
FINANCIAL YEAR ENDING 31 DECEMBER 2012

Please find enclosed Financial Statements for the Construction, Forestry, Mining and Energy Union (New South Wales Branch).

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

Yours faithfully

KYLIE WRAY
General Manager

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
(NEW SOUTH WALES BRANCH)**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012**

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ACCOUNTING OFFICER'S CERTIFICATE

I, Brian Parker, being the Officer responsible for keeping the accounting records of the Construction Forestry Mining and Energy Union (New South Wales Branch) ("the Union"), certify that as at 31 December 2012, the number of financial members of the Union was 34,081.

In my opinion,

- (i) The attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2012;
- (ii) A record has been kept of all the monies paid by, or collected from members and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the Union;
- (iii) Before any expenditure was incurred by the Union, approval of the incurring of the expenditure was obtained in accordance with the rules of the Union;
- (iv) With regard to funds of the Union raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated and any payments made were approved in accordance with the Rules of the Union;
- (v) No loans or other financial benefits, other than remuneration in respect of their full-time employment with the Union, were made to persons holding office in the Union; and
- (vi) The register of members of the Union was maintained in accordance with the Industrial Relations Act 1991 [NSW].



Brian Parker

Dated this 24th day of June 2013.

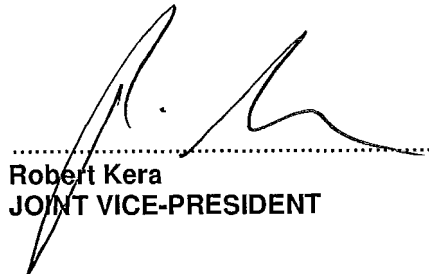
COMMITTEE OF MANAGERMENTS' CERTIFICATE

We, Rita Mallia and Robert Kera being two members of the Committee of Management of the Construction Forestry Mining and Energy Union (New South Wales Branch) ("the Union"), do state on behalf of the Committee, and in accordance with a resolution passed by the Committee that:

- (i) In the opinion of the Committee of Management, the attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2012; and
- (ii) In the opinion of the Committee of Management, meetings of the Committee were held during the year ended 31 December 2012 in accordance with the rules of the Union; and
- (iii) To the knowledge of any member of the Committee, there have been no instances where records of the Union or other documents (not being documents containing information made available to a member of the Union under sub-section 512(2) of the Industrial Relations Act 1991 [NSW], as applied by sub-section 282(3) of the Industrial Relations Act [1996]) or copies of those records or documents, or copies of the rules of the Union, have not been furnished, or made available to members in accordance with the requirements of the Industrial Relations Act 1996 [NSW], the Regulations thereto, or the rules of the Union; and
- (iv) The Union has complied with section 517(1) and section 517(5) of the Industrial Relations Act 1991 [NSW], in relation to the financial report in respect of the preceding financial year, and the Independent Audit Report thereon.



.....
Rita Mallia
SENIOR VICE-PRESIDENT



.....
Robert Kera
JOINT VICE-PRESIDENT

Dated this 24th day of June 2013.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
Revenue	2	28,970,102	25,556,035
Other Income	2	282,970	-
Employee Benefits Expense		(11,495,544)	(11,863,845)
Service Fees		(7,670,029)	(6,431,838)
Impairment of Investment in Associate		-	(106,223)
Depreciation and Amortisation Expense		(791,082)	(814,700)
Loss on Disposal of Property, Plant and Equipment		(28,182)	(34,401)
Share of Loss of Associates		(74,988)	(20,877)
All Other Expenses		(6,639,677)	(6,286,491)
Result Attributable to Members		<u>2,553,570</u>	<u>(2,340)</u>
<i>Other Comprehensive Income:</i>			
Net Gain/(Loss) on Revaluation of Financial Assets		<u>1,160</u>	<u>(2,276)</u>
Other Comprehensive Income		<u>1,160</u>	<u>(2,276)</u>
Total Comprehensive Income Attributable to Members		<u>2,554,730</u>	<u>(4,616)</u>

The accompanying notes form part of these financial statements.

**BALANCE SHEET
AS AT 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	8,561,476	7,127,888
Trade and Other Receivables	5	1,122,623	1,298,423
Inventories	6	7,593	7,593
Financial Assets	7	19,909,694	18,659,333
Other Current Assets	8	433,483	522,309
TOTAL CURRENT ASSETS		30,034,869	27,615,546
NON-CURRENT ASSETS			
Trade and Other Receivables	5	360,573	290,371
Financial Assets	7	4,290	4,290
Investments Accounted for Using the Equity Method	9	1,544,288	1,619,275
Property, Plant and Equipment	11	11,971,162	12,131,933
Investment Property	12	3,327,000	3,031,294
TOTAL NON-CURRENT ASSETS		17,207,313	17,077,163
TOTAL ASSETS		47,242,182	44,692,709
CURRENT LIABILITIES			
Trade and Other Payables	13	1,560,656	1,642,694
Borrowings	14	7,658	321,384
Short-term Provisions	15	4,520,733	4,087,315
Other Current Liabilities	16	568,649	605,330
TOTAL CURRENT LIABILITIES		6,657,696	6,656,723
NON-CURRENT LIABILITIES			
Trade and Other Payables	13	387,222	387,222
Long-term Provisions	15	268,210	274,440
TOTAL NON-CURRENT LIABILITIES		655,432	661,662
TOTAL LIABILITIES		7,313,128	7,318,385
NET ASSETS		39,929,054	37,374,324
ACCUMULATED FUNDS			
Accumulated Members' Funds		39,937,700	37,384,130
Reserves		(8,646)	(9,806)
		39,929,054	37,374,324

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Accumulated Funds \$	Financial Assets Reserve \$	Total \$
Balance at 1 January 2011	37,386,470	(7,530)	37,378,940
Total Comprehensive Income for the Year			
Result for the year	(2,340)	-	(2,340)
<i>Other Comprehensive Income</i>			
Net decrease in value of Available-for-Sale financial assets	-	(2,276)	(2,276)
Total Other Comprehensive Income	-	(2,276)	(2,276)
Balance at 31 December 2011	37,384,130	(9,806)	37,374,324
Total Comprehensive Income for the Year			
Result for the year	2,553,570	-	2,553,570
<i>Other Comprehensive Income</i>			
Net increase in value of Available-for-Sale financial assets	-	1,160	1,160
Total Other Comprehensive Income	-	1,160	1,160
Balance at 31 December 2012	39,937,700	(8,646)	39,929,054

The accompanying notes form part of these financial statements.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Members		30,123,634	26,155,950
Interest Received		1,506,548	1,561,389
Dividends Received		43	33
Payments to Suppliers and Employees		(27,962,918)	(27,445,684)
Net cash generated from operating activities	18(b)	<u>3,667,307</u>	<u>271,688</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Investments		(1,249,202)	1,401,885
Proceeds from Sale of Property, Plant & Equipment		318,608	349,101
Purchase of Investment Properties		(12,299)	(8,608)
Purchase of Property, Plant & Equipment		(977,100)	(706,442)
Net cash generated from investing activities		<u>(1,919,993)</u>	<u>1,035,936</u>
Net increase in cash held		1,747,314	1,307,624
Cash and cash equivalents at the start of the financial year		<u>6,806,504</u>	<u>5,498,880</u>
Cash and cash equivalents at the end of the financial year	18(a)	<u>8,553,818</u>	<u>6,806,504</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are for the Construction Forestry Mining and Energy Union (New South Wales Branch) ("the Union"), as an individual entity. The Union is an organisation of employees registered under the New South Wales Industrial Relations Act 1996 ("the Act"). In accordance with the Act, the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union is not subject to the Corporations Act 2001.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Industrial relations Act 1996 [NSW].

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

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.

Accounting Policies

a) Principles of Consolidation (Amalgamation)

These Amalgamated Financial Statements comprise the accounts of the Construction Forestry Mining and Energy Union (New South Wales Branch), hereafter referred to as "the Union". The following individual entities make up the Union for the purposes of these financial statements:

- Mining & Energy Division, South Western District Branch
- Mining & Energy Division, Northern District Branch (*not audited by Daley & Co*)
- Construction & General Division (New South Wales Branch)
- Mining & Energy Division, NSW Energy District Branch

These financial statements exclude the financial statements of the Forestry, Furnishing, Building Products and Manufacturing Division (NSW District). All financial activities of the NSW District are included in the financial statements of the federally registered Forestry, Furnishing, Building Products and Manufacturing Division.

b) Revenue

Revenue from membership contributions are recognised upon receipt, which is reflective of the timing and nature of the benefits provided to members.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

c) Inventories

Inventories are measured at the lower of cost and net realisable value.

d) Property, Plant and Equipment

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

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

Property, plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line or diminishing basis over the asset's useful life to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each for each class of depreciable assets are:-

Class of Fixed Asset	Depreciation Rate
Buildings	2 - 2.5%
Motor Vehicles	15 – 33.33%
Office Furniture and Equipment	5 - 50%

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income.

e) Investment Property

Investment property is held to generate long-term rental yields and capital growth. Investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the statement of comprehensive income as other income/expenses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

f) Leases

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

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

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

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

g) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Union commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

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

Amortised cost is calculated as:

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

g) Financial Instruments

Continued...

i) *Financial Assets at Fair Value through Profit or Loss*

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

ii) *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

iii) *Held-to-Maturity Investments*

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

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting period.

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

iv) *Available-for-Sale Financial Assets*

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

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after reporting date. (All other financial assets are classified as current assets).

v) *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

g) Financial Instruments

Continued...

Fair Value

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

Impairment

At the end of each reporting period, the Union assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Union no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

h) Investments in Associates

Associate companies are companies in which the Union has significant influence generally through holding, directly or indirectly, 20% or more of the voting power of the Union. Investments in associates are accounted for in the financial statements by applying the equity method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Union's share of net assets of the associate Union. In addition, the Union's share of the profit or loss of the associate Union is included in the Union's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any excess of the Union's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the investor's share of the associate's profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Union and the associate are eliminated to the extent of the Union's ownership interest in the associate.

When the reporting dates of the Union and the associate are different, the associate prepares, for the use by the Union, financial statements as of the same date as the financial statements of the Union with adjustments being made for the effects of significant transactions or events that occur between that date and the date of the investor's financial statements.

When the Union's share of losses in an associate equals or exceeds its interest in the associate, the Union discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Upon the associate subsequently making profits, the Union will resume the recognition of its share of those profits once its share of the profits equals the share of the losses not recognised. Details of the Union's investments in associates are shown at Note 10.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

i) Impairment of Assets

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

Where the future economic benefits of the asset are not primarily dependent upon on the assets ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

j) Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

k) Cash and Cash Equivalents

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

l) Goods and Services Tax (GST)

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

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

m) Income Tax

No provision for income tax has been raised as the Union is exempt from income tax under s.50-15 of the Income Tax Assessment Act 1997.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

n) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of future economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the period.

o) Trade and Other Payables

Trade and other payables represent the liability outstanding at reporting date for goods and services received by the Union during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the period in which they are incurred

q) Grants

The Union receives grant funding from various sources for varying purposes. Grants are recognised at fair value where there are reasonable assurances that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. All funds received are isolated in the Balance Sheet, from which all expenditures are made.

Given that the grant projects generally have an operating period that differs from the financial year-end, amounts are carried forward in the Balance Sheet:

- As an asset where expenditures exceed funding received to the balance date and where such expenditures are recoverable under the terms of the grant.
- As a liability where funding received exceeds expenditure to the balance date and the grant is ongoing.

r) Funds Held In Trust

From time to time the Union will collect voluntary contributions from members, employers and other sources for the 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 the funds for such appeals. Accordingly, all unspent/untransferred monies have been credited to the "Funds Held in Trust" account, as referred to in Note 16.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

s) Comparatives

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

t) Critical Accounting Estimates and Judgments

The Committee of Management evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

u) Change in Accounting Policy

The Union changed its accounting policy relating to the measurement after recognition of investment properties held by a lessee under operating lease.

In the prior year, some investment properties were measured under the cost model of AASB 140 Investment Property, as no information was obtained in relation to the fair value of this property as at 31 December 2011.

AASB 140 Investment Property requires that a property interest held by a lessee under an operating lease shall apply the fair value model for measurement after recognition.

The aggregate effect of the change in accounting policy on the individual investment property in question on the annual financial statements for the year ended 31 December 2012 is a revaluation gain of \$644,255. Depreciation of \$17,402 would have been recorded in relation to this property if the cost model had continued to be applied. In the absence of a formal valuation at 31 December 2011, the effects on the comparative disclosures are unknown.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
2. REVENUE			
<i>Revenue</i>			
Administration Fees		157,221	84,126
Contributions and Levies		19,590,840	17,719,668
Picnic Sponsorships		242,724	242,707
CFMEU Fighting Fund Receipts		3,138,717	2,615,336
Donations and Grants Received		55,000	181,748
Reimbursements		391,868	263,425
Contributions towards Long Service Leave		104,502	139,020
Government Grants Received – Other		25,000	25,000
Interest and Investment Income		1,473,308	1,572,014
Rents Received		1,133,497	1,214,975
Other Income		2,657,425	1,498,016
Total Revenue		<u>28,970,102</u>	<u>25,556,035</u>
<i>Other Income</i>			
Gain on revaluation of Investment Property		282,970	-
Total Other Income		<u>282,970</u>	-
Total Revenue and Other Income		<u>29,253,072</u>	<u>25,556,035</u>
3. RESULT			
Expenses			
Doubtful Debts Provision		11,940	-
Rental Expense on Operating Leases		91,650	69,751
Grants or Donations		184,499	245,864
Fees & periodic contributions in respect of its affiliation to any political party, industrial or non-industrial organisation, federation, congress, council or group of organisations or international body having an interest in industrial matters		186,478	131,977
4. CASH AND CASH EQUIVALENTS			
Cash on Hand		15,880	17,930
Cash at Bank		8,545,596	7,109,958
	18(a)	<u>8,561,476</u>	<u>7,127,888</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
5. TRADE AND OTHER RECEIVABLES			
Current			
Debtors		430,897	376,603
Other Receivables		691,726	921,820
		<u>1,122,623</u>	<u>1,298,423</u>
Non Current			
Advances to Associate – Comet Training Trust	(i)	362,544	362,544
LESS: Provision for Impairment		(2,271)	(72,473)
		<u>360,273</u>	<u>290,071</u>
Deposits Refundable		300	300
		<u>360,573</u>	<u>290,371</u>

(i) Advances to Associate – Comet Training Trust

The Union has advanced funds to an associate, 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 2012 the provision was written down by \$70,202 (2011: -).

	NOTE	2012 \$	2011 \$
6. INVENTORIES			
Finished Goods – At Cost		<u>7,593</u>	<u>7,593</u>
7. FINANCIAL ASSETS			
Held to Maturity Financial Assets	(a)	19,904,891	18,655,688
Available for Sale Financial Assets	(b)	9,093	7,935
		<u>19,913,984</u>	<u>18,663,623</u>
Split As:			
Current		19,909,694	18,659,333
Non-Current		4,290	4,290
		<u>19,913,984</u>	<u>18,663,623</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
7. FINANCIAL ASSETS			
Continued...			
(a) Held-to-maturity Financial Assets Comprise:			
Term Deposits, Bank Bills and Other Short Term Financial Investments		<u>19,904,891</u>	<u>18,655,688</u>
(b) Available for Sale Financial Assets Comprise:			
Shares in Unlisted Corporations – at Fair Value		100	100
Shares in Listed Corporations – at Fair Value		<u>8,993</u>	<u>7,835</u>
		<u>9,093</u>	<u>7,935</u>
8. OTHER CURRENT ASSETS			
Prepayments		<u>433,483</u>	<u>522,309</u>
9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD			
Associated Companies - Trade Union Centre	10	<u>1,544,288</u>	<u>1,619,275</u>
10. ASSOCIATED COMPANIES			

The following individual entities within the Union have an interest in the Trade Union Centre Wollongong Pty Limited (the "Associate"):

- Mining & Energy Division, South Western District Branch – 49.78%
- Construction & General Division (New South Wales Branch) – 19.14%

The Associate owns and operates an office building; it is a small proprietary company incorporated in Australia.

Through the amalgamation process, the Union has a collective interest of 69.09% in the Associate, however the Associate is not considered to be a controlled entity as the Union does not have the power to govern its financial and operating policies so as to obtain benefits from its activities. Discrete voting rests with divisional branches but not the Union. Accordingly, the interest in the Associate is accounted for in these financial statements using the equity method of accounting.

There were no impairment losses relating to the investment in the Associate and no capital commitments, contingent liabilities or other commitments relating to the Associate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

10. ASSOCIATED COMPANIES

Continued...

The following table illustrates summarised financial information relating to the Union's investment in the Associate:

	NOTE	2012 \$	2011 \$
<i>Share of the Associate's Balance Sheet</i>			
Total Assets		1,553,476	1,635,708
Total Liabilities		(9,188)	(16,433)
Net Assets	9	<u>1,544,288</u>	<u>1,619,275</u>
<i>Share of the Associate's Profit or Loss</i>			
Revenue		<u>77,721</u>	<u>77,810</u>
Loss after Income Tax		<u>(74,988)</u>	<u>(20,877)</u>
<i>Share of the Associate's Increase in Equity</i>			
Asset Valuation adjustment to Deemed Cost		<u>(74,988)</u>	<u>(20,877)</u>

The Union also has an interest in the Comet Training Trust in which it holds 50% of the issued units. The Union does not have a majority of members on the Board of Trustees and accordingly does not control the trust. Given that the trust is in a net loss position, equity accounting has been applied to the extent of writing the investment in associate to its original investment of \$100 (refer Note 9(b)). Further losses have not been provided for in light of the guarantees provided by the directors of the trustee company to support the trust.

An impairment loss has, however, been recognised on the loan funds advanced to the trust, to the extent of the Union's share of the net asset deficiency (refer Note 5).

There were no capital commitments relating to the investment in the associate nor any contingent liabilities or other commitments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 \$	2011 \$
11. PROPERTY, PLANT AND EQUIPMENT		
Land & Buildings		
At Cost	13,305,477	13,235,502
Provision for Depreciation	(3,057,104)	(2,820,473)
	<u>10,248,373</u>	<u>10,415,029</u>
Motor Vehicles		
At Cost	1,725,521	1,717,758
Provision for Depreciation	(872,110)	(889,797)
	<u>853,411</u>	<u>827,961</u>
Furniture, Fittings and Equipment		
At Cost	2,756,074	2,652,599
Provision for Depreciation	(1,934,485)	(1,817,371)
	<u>821,589</u>	<u>835,228</u>
Plant & Equipment		
At Cost	160,006	160,449
Provision for Depreciation	(112,217)	(106,734)
	<u>47,789</u>	<u>53,715</u>
TOTAL PROPERTY, PLANT & EQUIPMENT	<u>11,971,162</u>	<u>12,131,933</u>

(a) Movements in Carrying Amounts

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

	WDV at the Start of the Year \$	Additions \$	Disposals \$	Depreciation Expense \$	WDV at the End of the Year \$
2012					
Land & Buildings	10,415,029	69,975	-	(236,631)	10,248,373
Furniture, Fittings & Equipment	888,943	228,477	(13,241)	(234,801)	869,378
Motor Vehicles	827,961	678,648	(333,548)	(319,650)	853,411
	<u>12,131,933</u>	<u>977,100</u>	<u>(346,789)</u>	<u>(791,082)</u>	<u>11,971,162</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
12. INVESTMENT PROPERTY			
Balance at Beginning of Year		3,031,294	3,040,203
Additions		12,299	8,608
Revaluation Gain		283,407	-
Depreciation		-	(17,517)
		<u>3,327,000</u>	<u>3,031,294</u>
13. TRADE AND OTHER PAYABLES			
CURRENT - Trade Creditors & Accruals		<u>1,560,656</u>	<u>1,642,694</u>
NON-CURRENT - Trade Creditors & Accruals		<u>387,222</u>	<u>387,222</u>
Included in the above are the following superannuation amounts payable as at balance date:			
- Officers		11,614	21,816
- All Other Employees		2,012	2,449
		<u>13,626</u>	<u>24,265</u>
(a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables		1,947,878	2,029,916
Less deferred income		-	-
Financial liabilities as trade and other payables	19	<u>1,947,878</u>	<u>2,029,916</u>
14. BORROWINGS			
CURRENT			
Bank overdraft	18(a)	<u>7,658</u>	<u>321,384</u>

The bank overdraft account is actually in funds with the Union's bankers, however it goes into overdraft upon the reconciliation of unrepresented cheques. There are no overdraft facilities made available and accordingly no rate of interest payable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
15. PROVISIONS			
(a) Current			
Employee Entitlements		4,520,733	4,087,315
(b) Non-Current			
Employee Entitlements		268,210	274,440
TOTAL PROVISIONS		<u>4,788,943</u>	<u>4,361,755</u>
(c) Total Employee Benefits Provision Attributable to:			
Office Holders		1,849,728	1,704,602
Staff		2,939,215	2,657,153
		<u>4,788,943</u>	<u>4,361,755</u>
(d) Employee Benefits Expense Attributable to:			
Office Holders		3,392,439	3,698,026
Staff		5,256,892	5,445,558
		<u>8,649,331</u>	<u>9,143,584</u>
16. OTHER CURRENT LIABILITIES			
Funds Held in Trust		443,257	451,393
Funding In Advance		60,408	109,598
Grants In Advance		20,000	20,000
Unexpended Grants Carried Forward		44,984	24,339
		<u>568,649</u>	<u>605,330</u>
17. CAPITAL AND LEASING COMMITMENTS			
(a) Operating Lease Commitments			
Operating lease commitments exist in respect of Land at Wrights Beach Erowal Bay (Caravan Park Site), plant & equipment and a sub-lease of floor area. The maximum amounts payable are as follows:			
The total operating lease commitment:-			
Not later than 12 months		99,589	99,589
Between 12 months and 5 years		287,719	305,240
Greater than 5 years		832,972	899,362
		<u>1,220,280</u>	<u>1,304,191</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
18. CASH FLOW INFORMATION			
(a) Reconciliation of Cash			
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:			
Cash and Cash Equivalents	4	8,561,476	7,127,888
Borrowings	14	(7,658)	(321,384)
		<u>8,553,818</u>	<u>6,806,504</u>
(b) Reconciliation of Operating Result to Net Cash Flows from Operating Activities			
Operating Result for the Year		2,553,570	(2,340)
Non Cash Items:			
Depreciation		791,082	814,700
Net Loss on Disposal of Plant & Equipment		28,182	34,401
Revaluation of Investment Property		(283,407)	-
Share of Loss of Associate		74,988	20,877
Impairment of Investment in Associate		-	106,223
Changes in Assets and Liabilities:			
(Increase)/Decrease in Receivables		74,418	(321,033)
(Increase)/Decrease in Other Receivables		33,056	(53,675)
(Increase)/Decrease in Inventories		-	-
(Increase)/Decrease in Prepayments		86,951	(1,452)
Increase/(Decrease) in Creditors		(89,649)	(862,384)
Increase/(Decrease) in Provisions		427,190	393,098
Increase/(Decrease) in Monies in Trust		(527)	138,547
Increase/(Decrease) in Grants		(28,547)	4,726
		<u>3,667,307</u>	<u>(271,688)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

19. FINANCIAL RISK MANAGEMENT

The main risks Construction Forestry Mining and Energy Union (New South Wales Branch) is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Union's financial instruments consist mainly of deposits with banks, 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:

		2012	2011
Financial Assets	NOTE	\$	\$
Cash and cash equivalents	4	8,561,476	7,127,888
Trade and other receivables	5	1,483,196	1,588,794
Held to maturity financial assets	7	19,904,891	18,655,688
Available for Sale Financial Assets	7	9,093	7,935
		<u>29,958,656</u>	<u>27,380,305</u>
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	13	1,947,878	2,029,916
- Borrowings	14	7,658	321,384
		<u>1,955,536</u>	<u>2,351,300</u>

20. CONTINGENT LIABILITIES

Estimates of the maximum amounts of contingent liabilities that may become payable in respect of the following matter. The union is being sued for damages in the sum of approximately \$650,000 plus interest and costs in respect of alleged incidents that occurred during a protest in August 2012.

The CFMEU strongly denies the allegations and as the case it is at an early stage it is not possible to provide a reliable estimate of the total financial cost of the union at the date of this report.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

21. RELATED PARTY INFORMATION

(a) Members of the State Executive

The governing committee of the Union is the State Executive, which is made up of delegated representatives which serve on the Committee of Management of the individual entities comprising the amalgamated entity.

Persons appointed and holding honorary positions as members of the Committee of Management for the financial year:

Mr P Jordan	President	Mr B K Parker	Secretary
Mr C Smith	Assistant Secretary	Ms R Mallia	State Senior Vice President
Mr K Miller	Vice President	Mr A Honeysett	Vice President
Mr R Kera	Vice President		

No members of the State Executive have been remunerated for acting in these positions, in addition to their ordinary wages and salaries paid by their respective divisional branch.

(b) Related Party Transactions

Associated companies

- i) Office space was rented from The Trade Union Centre Wollongong Pty Limited during the year. Commercial rent totaling \$56,057 (2011: \$56,057) was paid during the year and capitalised to the total of the loan to this entity.
- ii) Office space was rented to the Comet Training Trust during the year. Commercial rent totaling \$212,732 (2011: \$206,159) was charged to the Trust.
- iii) During the year the loan to the Comet Training Trust was reviewed for recoverability and resulted in the reversal of the impairment provision of \$70,202 (2011: Nil) being added to the Statement of Comprehensive Income.

Other related parties

- iv) Service payments to the following Federal offices of the Construction, Forestry, Mining and Energy Union were made:
 - CFMEU Mining & Energy: \$7,018,039 (2011: \$5,817,177);
 - CFMEU Construction & General: \$651,990 (2011: \$614,661); and
- v) Office space was rented from Construction, Forestry Mining and Energy Union – Mining and Energy Division during the year. Commercial rent totaling \$12,000 (2011: \$12,000) was paid during the year.
- vi) Office space was rented from Construction, Forestry Mining and Energy Union – Mining and Energy Division, Northern District Branch during the year. Commercial rent totaling \$5,700 (2011: \$5,200) was paid during the year.
- vii) \$4,194 (2011: \$8,577) was charged by the Construction, Forestry, Mining and Energy Union, Construction and General National Office for the establishment and continued operation of the Darwin Branch. The costs were charged to a number of divisions and branches of the CFMEU, based on financial member numbers.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

21. RELATED PARTY INFORMATION

Continued...

(b) Related Party Transactions

Continued...

- viii) Computer Software support was supplied by Construction, Forestry Mining and Energy Union - Construction & General Division during the year. Total amount paid during the year was \$2,453 (2011: \$2,361).
- ix) During the year the Union sold a motor vehicle valued at \$17,500 to a family member of a Key Management Personnel. Terms and conditions in relation to the sale were within a normal commercial relationship and were no more favourable than those made available to other third parties.

(c) Related Party Balances

Associated companies

- i) As at balance date there was a loan of \$362,544 advanced to the Comet Training Trust, excluding the applicable provision for impairment (2011: \$362,544).

Other related parties

- ii) As at balance date, service fees payable to the following Federal offices of the Construction, Forestry, Mining and Energy Union:
 - CFMEU Construction & General: \$33,521 (2011: \$201,484)

22. KEY MANAGEMENT PERSONNEL COMPENSATION

There are not considered to be any key management personnel other than the members of the State Executive listed at Note 21, none of which are paid any remuneration by the Union.

The entities comprising the (amalgamated) union [refer note 1(a)] operate autonomously and thus the key management of those organisations do not influence the strategic direction of the Union. Accordingly, no disclosure of key management personnel compensation is considered necessary.

23. EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since the end of the year that has significantly affected or may significantly affect:

- (i) the operations of the Union;
- (ii) the results of those operations; or
- (iii) the state of affairs of the Union, in subsequent financial years.

The financial report was authorised for issue on 24th June 2013 by the Committee of Management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

24. INFORMATION TO BE PROVIDED TO MEMBERS OR THE INDUSTRIAL REGISTRAR

In accordance with the requirements of the Industrial Relations Act, 1991 [NSW], the attention of members is drawn to the provisions of Sub-sections (1) and (2) of Section 512 which read as follows:

- (1) A member of an organisation, or the Industrial Registrar, may apply to the organisation for specified information prescribed by the regulations in relation to the organisation.
- (2) An organisation must, on the making of such an application, make the specified information available to the member or the Industrial Registrar in the manner, and within the time frame, prescribed by the regulations.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE CONSTRUCTION FORESTRY MINING & ENERGY UNION (NEW SOUTH WALES BRANCH)

Report on the financial report

We have audited the accompanying financial report of the Construction Forestry Mining and Energy Union (New South Wales Branch) ("the Union"), which comprises the Balance Sheet as at 31 December 2012, Statement of Comprehensive Income, Statement of Changes in Equity, Cash Flow Statement for the year then ended, notes comprising a summary of the significant accounting policies and other explanatory information, the Committee of Management's Certificate and the Accounting Officer's Certificate.

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

The Union's Committee of Management and the Accounting Officer are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Industrial Relations Act 1996 [NSW] and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and 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 Association's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management and the Accounting Officer, as well as evaluating the overall presentation of the financial report.

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

Independence

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

**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF THE CONSTRUCTION FORESTRY MINING & ENERGY UNION (NEW SOUTH WALES BRANCH)**
Continued...

Basis for Qualified Auditor's Opinion

The union did not obtain an independent valuation of all investment properties as at 31 December 2011. Without a formal valuation, we were unable to satisfy ourselves that the carrying amount of these assets were not in excess of their recoverable amount, noting that a revaluation gain of \$644,692 was realised in 2012 [refer note 1(u)] in relation to one of the entities making up the Union. Our audit opinion on the financial report for the period ended 31 December 2011 was modified accordingly. Our opinion on the current period's financial report is also modified because of the possible effect of this matter on the comparability of the current and corresponding period figures.

AUDIT OPINION

In our opinion, except for the effects of such adjustments, if any, of the matter described in the Basis for Qualified Opinion paragraph:

- (a) Satisfactory accounting records have been kept by the Union so far as appears from our examination of these books, including:
 - (i) records of the sources and nature of the income of the Union, including income from members; and
 - (ii) records of the nature and purpose of the expenditure of the Union.
- (b) The financial statements of the Union required to be prepared under Section 510 of the Industrial Relations Act 1991 [NSW] have been properly drawn up so as to give a true and fair view of:
 - (i) the financial affairs of the Union as at 31 December 2012; and
 - (ii) the income and expenditure, results and cash flows of the Union for the year ended on that date.
- (c) The financial report has been prepared in accordance with Australian Accounting Standards Reduced Disclosure Requirements (including the Australian Accounting Interpretations) as described in Note 1.

We have where necessary, obtained all the information and explanations from officers or employees of the Union that, to the best of our knowledge and belief, were necessary for the purposes of our audit.

Daley & Co.
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DALEY & CO
Chartered Accountants
98 Kembla Street
Wollongong NSW 2500

Michael Mundt
.....
Michael Mundt
Registered Company Auditor

Dated this 24th day of June 2013.

SUMMARY OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The financial report of the Construction Forestry Mining and Energy Union (NSW State Branch) has been audited in accordance with the provisions of the Industrial Relations Act 1991, and the following summary is provided for members in accordance with Section 517(2) of the Act, as applied by Section 282(3) of the Industrial Relations Act, 1996.

A copy of the Financial Report, including the Independent Audit Report, will be supplied free of charge to members upon request.

Certificates required to be given under the Act by the Accounting Officer and the Committee of Management have been completed in accordance with the provisions of the Act and contained no qualifications.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 31 DECEMBER 2012

	2012 \$	2011 \$
Membership Contributions and Levies	19,590,840	17,719,668
Other Income	9,662,232	7,836,367
TOTAL INCOME	29,253,072	25,556,035
LESS TOTAL EXPENDITURE	(26,699,502)	(25,558,375)
RESULT FOR THE YEAR	2,553,570	(2,340)
Net Gain/(Loss) on Revaluation of Financial Assets	1,160	(2,276)
TOTAL COMPREHENSIVE INCOME	2,554,730	(4,616)

BALANCE SHEET AS AT 31 DECEMBER 2012

ACCUMULATED FUNDS	39,929,054	37,374,324
Represented by:		
Current Assets	30,034,869	27,615,546
Non-Current Assets	17,207,313	17,077,163
TOTAL ASSETS	47,242,182	44,692,709
Current Liabilities	6,657,696	6,656,723
Non-Current Liabilities	655,432	661,662
TOTAL LIABILITIES	7,313,128	7,318,385
NET ASSETS	39,929,054	37,374,324

**SUMMARY OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012**
Continued...

INFORMATION TO BE PROVIDED TO MEMBERS OR THE INDUSTRIAL REGISTRAR

In accordance with the requirements of the Industrial Relations Act, 1991 [NSW], the attention of members is drawn to the provisions of Sub-sections (1) and (2) of Section 512 which read as follows:

- (1) A member of an organisation, or the Industrial Registrar, may apply to the organisation for specified information prescribed by the regulations in relation to the organisation.
- (2) An organisation must, on the making of such an application, make the specified information available to the member or the Industrial Registrar in the manner, and within the time frame, prescribed by the regulations.

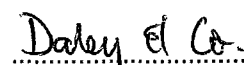
AUDITOR'S CERTIFICATE

We certify that the above Summary Financial Report is a fair and accurate summary of the Report, Accounts and Statements of the Construction Forestry Mining and Energy Union, NSW State Branch for the year ended 31 December 2012. Our Independent Audit Report to the members dated 24th June 2013 on the Financial Report, contained the following qualification:

Basis for Qualified Auditor's Opinion

The union did not obtain an independent valuation of all investment properties as at 31 December 2011. Without a formal valuation, we were unable to satisfy ourselves that the carrying amount of these assets were not in excess of their recoverable amount, noting that a revaluation gain of \$644,692 was realised in 2012 [refer note 1(u)] in relation to one of the entities making up the Union. Our audit opinion on the financial report for the period ended 31 December 2011 was modified accordingly. Our opinion on the current period's financial report is also modified because of the possible effect of this matter on the comparability of the current and corresponding period figures.

Except for the above qualification, the audit report did not contain any additional particulars of any deficiency, failure or shortcoming as referred to in the Industrial Relations Act 1991 [NSW] as applied by Section 282(3) of the Industrial Relations Act, 1996.


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DALEY & CO
Chartered Accountants
98 Kembla Street
Wollongong NSW 2500


.....
Michael Mundt
Registered Company Auditor

Dated this 24th day of June 2013.

SECRETARY'S CERTIFICATE

[The provisions of section 518(1)(b) of the *Industrial Relations Act 1991* and clause 65 of the *Industrial Relations Regulation 1992* apply as regulations under section 282(3) of the *Industrial Relations Act 1996*]

I, Brian Parker, State Secretary of the Construction, Forestry, Mining and Energy Union (New South Wales Branch) hereby, certify that the documents lodged herewith are true copies of the accounts, auditor's report and certificates presented to the Committee of Management meeting held on the 4th June 2013 in respect of the financial year ending 31 December 2012.

The documents lodged herewith are:

- (i) Copies of the accounts prepared in accordance with the requirements of section 510(1) of the 1991 Act and clause 58 of the 1992 Regulation, as applied by section 282(3) of the Industrial Relations Act 1996 [an account of income & expenditure and an account of assets & liabilities]; and
- (ii) A copy of the certificate given by the accounting officer of the organisation in accordance with the requirements of section 510(2) of the 1991 Act and clause 59(1)(a) of the 1992 Regulation; and
- (iii) A copy of the certificate given by the Committee of Management in accordance with the requirements of section 510(2) of the 1991 Act and clause 59(1)(b) of the 1992 Regulation; and
- (iv) A copy of the report of the auditor of the organisation prepared in accordance with the requirements of section 514 of the 1991 Act; and
- (v) A statement by an officer of the organisation in respect of loans, grants or donations by the organisation which are notifiable in accordance with the requirements of section 280 of the 1996 Act.



Brian Parker

Dated this 24th day of June 2013.

**STATEMENT OF PARTICULARS OF LOANS, GRANTS AND DONATIONS BY
AN OFFICER OF AN ORGANISATION
FOR THE PERIOD ENDED 31 DECEMBER 2012**

[Section 280 of the *Industrial Relations Act 1966* and clause 27
of the *Industrial Relations (General) Regulation 1996*]

NAME & ADDRESS OF RECIPIENT	PURPOSE	AMOUNT
		\$

DONATIONS

