

13 March 2015

Mr Tim Whyte
District Secretary
Queensland District Branch
Mining and Energy Division
Construction, Forestry, Mining and Energy Union
reception@cfmeuqld.asn.au

CC:Nicole Boucher: N.Boucher@cfmeuqld.asn.au

CC: Vincents Audit & Assurance, Peter Sheville: crosetta-walsh@vincents.com.au



Dear Mr Whyte,

Construction, Forestry, Mining and Energy Union, Mining and Energy Division, Queensland District Branch

Financial Report for the year ended 30 June 2014 - [FR2014/91]

I acknowledge receipt of further information concerning the financial report of the Construction, Forestry, Mining and Energy Union, Mining and Energy Division, Queensland District Branch (the branch). It was lodged with the Fair Work Commission (the Commission) on 10 March 2015.

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 30 June 2015 may be subject to an advanced compliance review.

I make the following comments 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 Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

Timeframes

The Auditor's Report

The information confirms that the auditor's report was not signed when the original documents were provided to the membership and that the full report was provided after the meeting.

A signed copy of the auditor's report must be provided to the members with the report at least 21 days before the meeting of members.

The signed copy of the auditor's report forms part of the full report and a failure to provide the full report to the membership is a breach of section 265. Section 265 is a civil penalty provision and future non compliance may result in the matter being referred to the Compliance Team.

The Designated Officer's Certificate

Thank you for the revised Designated Officer's Certificate. Please ensure that the designated officer's certificate is the final document signed as it is attesting to the dates that other mandated events occur and it cannot be signed prior to those dates occurring.

Auditor's Going Concern Declaration

Thank you for the letter from the auditor confirming the Going Concern basis of accounting was appropriate. Please ensure the declaration appears within the next Auditor's Report.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Accounting Policies

Note 1 to the financial report contains the policies for the branch. While it includes a number of revenue policies at 1(f), there is no policy that is obviously appropriate for the line item 'levies'. While a portion of it is explained - membership support levies - the vast majority the 'legal and assistance' support payment has no apparent policy.

Item 14(c) of the Reporting Guidelines particularly requires that where a levy (either compulsory or voluntary) is collected from the members, the amount and a brief description of the purpose of each such levy appears within the report or the notes. In future reports, please provide an explanation in accordance with item 14(c) for any levies that appear within the report.

Employees

Employee Expenses

At Note 4A the report lists a variety of 'other' employee expenses. Largely, these expenses are not required to be broken down between holders of office and employees other than holders of office. However, payments concerning Fringe Benefits Tax should be divided between the two categories as it is attributable to a particular individual (or individuals).

Employee Provisions

At Note 11(a) the branch has broken down provisions into 'annual leave', 'long service', 'separation and redundancies', and where provisions exist has further broken down the provisions into office holders and other employees. However, the branch has not provided a figure for 'other' provisions.

Please ensure that there is a line item for 'other' provisions, even if it is NIL as was the separation and redundancy line item this year.

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 *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at catherine.bebbington@fwc.gov.au.

Yours sincerely



CATHERINE BEBBINGTON

Regulatory Compliance Branch

FAIR WORK COMMISSION

Tel: 03 8661 7974

Fax: 03 9655 0410

catherine.bebbington@fwc.gov.au

11 Exhibition Street, Melbourne Victoria 3000

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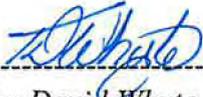
**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

**Amended Designated Officers Certificate
s268 of Fair Work (Registered Organisations) Act 2009**

I, Timothy David Whyte being the Secretary of the Construction, Forestry, Mining & Energy Union, Mining & Energy Division, Queensland District Branch certify:

- that the documents previously lodged are copies of the full report for the Construction, Forestry, Mining & Energy Union, Mining & Energy Division, Queensland District Branch for the period ended 30th June 2014, referred to in s268 of the Fair Work (Registered Organisations) Act 2009: and
- that the full report was provided to the members of the reporting unit on the Construction, Forestry, Mining & Energy Union, Mining & Energy Division, Queensland District Branch webpage on the 15th December 2014; and
- that the full report was presented at the annual general meeting of members of the reporting unit on 3rd December 2014; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009



Timothy David Whyte
(Secretary)
Prescribed designated officer

Dated at Brisbane this 10th Day of March, 2015

9 January 2015

Catherine Bebbington
Regulatory Compliance Branch
Fair Work Commission
GPO Box 1994,
Melbourne Victoria 3001
Via email: catherine.bebbington@fwc.gov.au

Dear Catherine,

RE: CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION, MINING AND ENERGY DIVISION, QUEENSLAND DISTRICT BRANCH

As the auditor of Construction, Forestry, Mining and Energy Union, Mining and Energy Division, Queensland District Branch for the year ended 30 June 2014 I can confirm that our audit procedures concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements was appropriate.

Yours sincerely



Peter Sheville
Director - Audit and Assurance

brisbane. sydney. canberra. gold coast

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9 January 2015

Mr Tim Whyte
District Secretary
Queensland District Branch,
Mining and Energy Division,
Construction, Forestry, Mining and Energy Union
t.whyte@cfmeuqld.asn.au

CC: Caroline Rosetta-Walsh, Vincents Audit & Assurance: CRosetta-Walsh@Vincents.com.au

Dear Mr Whyte,

Construction, Forestry, Mining and Energy Union, Mining and Energy Division, Queensland District Branch

Financial Report for the year ended 30 June 2014 - [FR2014/91]

I acknowledge receipt of the financial report of the Construction, Forestry, Mining and Energy Union, Mining and Energy Division, Queensland District Branch. The documents were lodged with the Fair Work Commission on 8 December 2014.

The financial report has not been filed. Further information is required before the report can be filed.

Auditor's report: declaration regarding going concern

Paragraph 39 of the Reporting Guidelines requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.

This declaration was raised in last year's filing letter but was not included in the auditor's statements for this year.

Please provide a declaration from the auditor that the management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements was appropriate.

Timelines

Designated Officer's Certificate

The designated officer's certificate states that the report was presented to the annual general meeting of members on 3 December 2014. However, the designated officer's certificate indicates that the certificate itself was signed prior to this date on 26 November 2014.

If these dates are correct the report could not have been presented to the AGM before the certificate was signed and therefore in time for the officer to certify that it had actually occurred. Please confirm the correct dates in a revised signed and dated designated officer's certificate.

Auditor's Report

The designated officer's certificate states that the full report was provided to members on 11 November 2014. The full report is defined as including:

- A copy of the General Purpose Financial Report;
- A copy of the operating report; and
- A copy of the report of the auditor.

The auditor's report was signed on 27 November 2014. If this date is correct, the members were not provided with the full report in accordance with section 265 of the RO Act. Please confirm whether the date on the auditor's report is correct and if so when a signed copy was provided to the membership in accordance with section 265.

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at catherine.bebbington@fwc.gov.au.

Yours sincerely,



CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION

Tel: 03 8661 7974

Fax: 03 9655 0410

catherine.bebbington@fwc.gov.au

11 Exhibition Street, Melbourne Victoria 3000
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**Construction, Forestry,
Mining & Energy Union**

Mining and Energy Division
Queensland District Branch
ABN 73 089 711 903

Brisbane

P.O. Box 508, Spring Hill Qld 4004
Level 2, 61 Bowen Street, Spring Hill 4000

07 3839 8588 07 3839 8404



3rd December 2014

Fair Work Commission
Regulatory Compliance Branch
GPO Box 1994
Melbourne VIC 3001

Dear Sirs,

CFMEU (Mining & Energy) Qld District Branch
Financial Year Ended 30.06.2014

We enclose the following for the Financial Year Ended 30.06.2014:

- Audited Financial Report-Full Report as presented at the Annual Board
- List of Current Executive Officers of the Union - Page 36 of the Audited Financial Report

Yours Faithfully

Timothy David Whyte
Secretary

Kishore Raniga
Finance Manager

Blackwater	Dalby	Dysart	Mackay	Moranbah	Rockhampton
45 Arthur Street Blackwater Qld 4717	10/66 Drayton Street Dalby Qld 4405	Shop 24B Garden Plaza Shannon Crescent Dysart Qld 4745	33 Milton Street Mackay Qld 4740	Cnr Mills Avenue & Bacon Street Moranbah Qld 4744	PO Box 2093 Wandal Qld 4700
07 4982 5131 07 4982 6325	07 4669 7088 07 4662 4288	07 4958 2318 07 4950 0065	07 4957 2644 07 4951 3241	07 4941 7004 07 4941 5269	07 4922 7100 07 4922 7105

Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch
ABN 73 089 711 903

Financial Report for the Financial Year Ended
30 June 2014

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

30th June 2014

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Independent Auditor's Report

To the members of the CFMEU – Mining & Energy Division Queensland District

Report on the Financial Report

We have audited the accompanying financial report of the CFMEU – Mining & Energy Division Queensland District, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, Operating Report and the Committee of Management Statement.

Committee's Responsibility

The Committee of Management are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009* for such internal control as the Committee 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 company'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 company'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.

brisbane. sydney. canberra. gold coast

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Opinion

In our opinion the financial report of the CFMEU – Mining & Energy Division Queensland District is in accordance with the *Fair Work (Registered Organisations) Act 2009* and associated Guidelines, including:

- (a) giving a true and fair view of the CFMEU – Mining & Energy Division Queensland District's financial position as at 30 June 2014 and of their performance for the period ended on that date; and

- (b) complying with Australian Accounting Standards and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

Peter Sheville
Vincent's Audit & Assurance
27 November 2014

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

**Designated Officers Certificate
s268 of Fair Work (Registered Organisations) Act 2009**

I, Timothy David Whyte being the Secretary of the Construction, Forestry, Mining & Energy Union, Mining & Energy Division, Queensland District Branch certify:

- that the documents lodged herewith are copies of the full report for the Construction, Forestry, Mining & Energy Union, Mining & Energy Division, Queensland District Branch for the period ended 30th June 2014, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to the members of the reporting unit on 11th November 2014; and
- that the full report was further presented at the annual general meeting of members of the reporting unit on 3rd December 2014; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009



Timothy David Whyte
(Secretary)
Prescribed designated officer

Dated at Brisbane this 26th Day of November, 2014.

Construction, Forestry, Mining & Energy Union
Mining & Energy Division - Queensland District Branch
 ABN 73 089 711 903

Operating Report for the year ended 30 June 2014

The committee presents its report on the reporting unit for the financial year ended 30 June 2014.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year.

The principal activities of the organisation were:

- To improve the conditions and to protect the interest of the members of the District Branch.
- To uphold the rules of the District Branch and to regulate the conditions under which members may be employed.
- To obtain legislative enactments for the more efficient management of monies, whereby the lives and health of miners may be preserved and, if necessary, to take steps to obtain compensation for accidents where employers are liable.
- To secure and maintain an effective general agreement between the members of the Union and their employers embodying rates, wages and conditions, to be settled by mutual agreement or by arbitration.

The loss from ordinary activities of the organisation was \$1,715,860 (2013: Profit-\$82,139).

The loss from ordinary activities was due to a decrease in the average membership numbers over the prior year due to redundancies in the Mining Sector, a decrease in interest income due to lower market interest rates and an increase in expenditures resulting from the level of industrial activity in serving the membership base. There have been no significant changes to the principal activities of the organisation.

Significant changes in financial affairs

There have been no significant changes to the financial affairs of the organisation.

Right of members to resign

Members of the organisation have the right to resign from the organisation under section 174 of the Fair Work (Registered Organisations) Act 2009.

Other Information:

- The Number of members of the branch as at 30 June 2014 was 7,843.
- The number of full time employees of the branch as at 30 June 2014 was:
 - o Officials – 10;
 - o Full Time Office Staff – 20; and –
 - o Full Time Equivalent Lodge Executives - 5.
- Superannuation Trustee – Timothy David Whyte

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division - Queensland District Branch
ABN 73 089 711 903**

Operating Report for the year ended 30 June 2014 (continued)

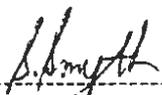
Names of Committee of Management members and period positions held during the financial year

Board of Management Members

- Division 1 – Barry Elliott
- Division 2 – Simon West
- Division 3 – Jeff Scales
- Division 4 – Bruce West
- Division 5 – Brian Cruwys (Till 12.05.14)
- Division 5 – Steven Grant (Elected 12.05.14)
- Division 6 – Michael Hartin
- Division 7 – Michael Popp (Till 07.05.14)
- Division 7 – Michael Gleeson (Elected 07.05.14)

Central Councillors

- Central Councillor – Frank Baker
- Central Councillor – Scott Leggett
- Central Councillor – Fredrick Hibble
- Central Councillor – Brian Wise



Stephen Allan Smyth
(President)



Timothy David Whyte
(Secretary)

Dated at Brisbane this 26th Day of November, 2014.

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

**Committee of Management Statement
For the year ended 30 June 2014**

On 11th November 2014, the Committee of Management of the Construction, Forestry, Mining & Energy Union, Mining & Energy Division, Queensland District Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2014.

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and

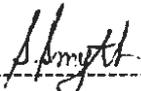
**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

**Committee of Management Statement
Fair Work (Registered Organisations) Act 2009**

- (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 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) no revenue has been derived from undertaking recovery of wages activity during the reporting period:

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



Stephen Allan Smyth
(President)



Timothy David Whyte
(Secretary)

Dated at Brisbane this 26th Day of November, 2014.

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

**Statement of Comprehensive Income
for the Year Ended 30 June 2014**

	<u>Notes</u>	2014 \$	2013 \$
<i>Revenue from Ordinary Activities</i>			
Membership Dues		12,117,575	13,545,916
Capitation Fees		-	-
Levies	3A	2,053,312	1,847,200
Interest	3B	565,152	740,430
Rental Revenue		123,186	111,576
Other Revenue		440,088	311,382
		-----	-----
<i>Total Revenue</i>		\$15,299,313	\$16,556,504
		-----	-----
<i>Expenses from Ordinary Activities</i>			
Employee Expenses	4A	4,361,099	4,687,099
Capitation Fees	4B	-	-
Affiliation Fees	4C	185,744	102,855
Donations and Grants	4D	1,666,401	1,351,176
Depreciation	4E,7	373,765	422,794
Dues-Federal Body		2,751,318	3,140,070
Administration Expenses	4F	2,381,708	2,789,177
Auditors Remuneration	4G	81,551	61,829
Legal Expenses	4H	2,925,560	1,816,885
Occupancy Expenses	4I	412,687	381,631
Telephone & Facsimile		365,034	365,212
Purchases-Union Merchandise and Books		320,580	320,690
Other Expenses	4J	1,189,726	1,034,947
		-----	-----
<i>Total Expenses</i>		\$17,015,173	\$16,474,365
		-----	-----
<i>(Loss) / Profit from Ordinary Activities</i>		(\$1,715,860)	\$82,139
		=====	=====

The above statement should be read in conjunction with the notes.

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

**ABN 73 089 711 903
Statement of Financial Position
as at 30 June 2014**

	<u>Notes</u>	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	22	13,909,256	15,554,055
Trade and Other Receivables	6	918,169	1,200,846
Current Investments	8	236,260	221,727
		-----	-----
Total Current Assets		\$15,063,685	\$16,976,628
		-----	-----
Non-Current Assets			
Property, Plant & Equipment	7	4,097,009	3,996,529
Non-Current Receivables	6	55,852	57,906
Non-Current Investments	8	157,203	157,203
Other Non-Current Assets	9	457,353	205,728
		-----	-----
Total Non-Current Assets		\$4,767,417	\$4,417,366
		-----	-----
Total Assets		\$19,831,102	\$21,393,994
		=====	=====
LIABILITIES			
Current Liabilities			
Trade Payables	10	2,980,486	2,878,083
Provision for employee entitlements	11	1,368,853	1,318,289
		-----	-----
Total Liabilities		\$4,349,339	\$4,196,372
		=====	=====
Net Assets		\$15,481,763	\$17,197,622
		=====	=====
Equity			
Accumulated General Funds		15,155,050	15,562,694
Reserves	12	326,713	1,634,928
		-----	-----
Total Equity		\$15,481,763	\$17,197,622
		=====	=====

The above statement should be read in conjunction with the notes.

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

**Statement of Changes in Equity
for the Year Ended 30 June 2014**

	Notes	Legal & Assistance Reserve \$	Asset Revaluation Reserve \$	Retained Earnings \$	Total Equity \$
Balance as at 1 July 2012		1,666,691	326,713	15,122,080	17,115,484-
Profit for the year		-	-	82,139	82,139
Transfer to Legal and Assistance Reserve	12	1,192,594	-		1,192,594
Transfer from Legal and Assistance Reserve	12	(1,551,070)	-	358,475	1,909,545
Closing balance as at 30 June 2013		1,308,215	326,713	15,562,694	17,197,622
Loss for the year		-	-	(1,715,860)	(1,715,860)
Transfers-Retained Earnings	12	183,689		(183,689)	-
Transfer to Legal and Assistance Reserve	12	1,404,211	-	-	1,404,211
Transfer (from) Legal and Assistance Reserve	12	(2,896,115)	-	1,491,905	(1,404,210)
Closing balance as at 30 June 2014		0	326,713	15,155,050	15,481,763

The above statement should be read in conjunction with the notes.

Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch
ABN 73 089 711 903

Cash Flow Statement
for the Year Ended 30 June 2014

	<u>Note</u>	2014 \$	2013 \$
<i>Operating Activities:</i>			
Cash Received			
Receipts for Membership Dues		13,075,534	14,663,945
Receipts-CFMEU National Office		170,365	211,258
Receipts-Levies		2,053,312	1,192,594
Interest Received		619,927	712,350
Expenses Recouped		144,000	24,000
Other Income		242,821	136,819
Cash Used			
Payments to Employees		(4,361,099)	(4,687,099)
Payments to Suppliers		(6,799,445)	(8,123,679)
Payments-CFMEU National Office		(4,737,898)	(3,335,935)
		-----	-----
Net cash (used by) / from operating activities	22(b)	\$407,517	\$794,253
		=====	=====
<i>Investing Activities:</i>			
Cash Received			
Proceeds from Sale of Property, Plant and Equipment		176,453	58,364
Cash Used			
Payments for Plant and Equipment		(653,481)	(350,189)
		-----	-----
Net cash (used by) investing activities		(\$477,028)	(\$291,825)
		=====	=====
<i>Financing Activities:</i>			
Cash Received			
Repayments of borrowings by members		73,489	86,197
Cash Used			
Loans to members		(42,850)	(91,120)
		-----	-----
Net cash from / (used by) financing activities		\$30,639	(\$4,923)
		=====	=====
Net (Decrease) in Cash Held		(1,644,799)	(177,469)
Cash at Beginning of Reporting Period		15,554,055	15,731,524
		-----	-----
Cash at End of Reporting Period	22(a)	\$13,909,256	\$15,554,055
		=====	=====

The above statement should be read in conjunction with the notes.

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

Notes to the Financial Statements for the Year Ended 30 June 2014

1. *Statement of Significant Accounting Policies*

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the CFMEU Mining & Energy Division, Queensland District Branch is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

(b) Principles of Preparation of the Financial Statements

These Financial Statements have been prepared by combining the financial information and results of the District Office and all Queensland Lodges. In preparing these Financial Statements, all transactions and balances between these parties are eliminated.

(c) Comparative amounts

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

(d) Significant accounting judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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Notes to the Financial Statements for the Year Ended 30 June 2014

1. Statement of Accounting Policies (cont'd)

(e) New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date stated in the standard. The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards Requirements

There are no new standards, amendments to standards or interpretations that were issued prior to the sign-off date are applicable to the future reporting period of Construction, Forestry, Mining & Energy Union Mining & Energy Division, Queensland.

(f) Revenue

Revenue is measured at the Fair Value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Donation income is recognised when it is received.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest income is recognised on a time proportion basis using the effective interest method.

Dividends are recognised as revenue when the right to receive payment is established.

Membership Support Levies (Voluntary) - \$410,170 (2013 - \$361,714) were collected during the year and these were collected from those Lodges that have made In-Kind support payments in addition to the weekly \$700 Legal and Assistance support payments. In-Kind support payments ranges from \$300 to \$700 and are included as Donations Paid in the Income Statement.

(g) Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer

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Notes to the Financial Statements for the Year Ended 30 June 2014

1. Statement of Accounting Policies (cont'd)

h) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(i) Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts (if any) are shown within borrowings in current liabilities on the Statement of Financial Position.

Financial instruments

Financial assets and financial liabilities are recognised when CFMEU becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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Notes to the Financial Statements for the Year Ended 30 June 2014

1. Statement of Accounting Policies (cont'd)

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. During the financial year, CFMEU had the following financial assets: held-to-maturity investments, and loans and receivables.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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Notes to the Financial Statements for the Year Ended 30 June 2014

1. Statement of Accounting Policies (cont'd)

Impairment of financial assets (cont'd)

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is 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. Financial liabilities are recognised and derecognised upon 'trade date'. During the financial year, CFMEU only had other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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Notes to the Financial Statements for the Year Ended 30 June 2014

1. Statement of Accounting Policies (cont'd)

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—land and buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

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Notes to the Financial Statements for the Year Ended 30 June 2014

1. Statement of Accounting Policies (cont'd)

Land, Buildings, Plant and Equipment (Cont'd)

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

- Buildings	25 – 40 years
- Vehicles	3 – 5 years
- Furniture, fittings and equipment	3 – 8 years
- Leasehold improvements	10 years

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the *[reporting unit]* were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

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Notes to the Financial Statements for the Year Ended 30 June 2014

1. Statement of Accounting Policies (cont'd)

Taxation

CFMEU is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

Fair value measurement

The CFMEU measures financial instruments, such as, non-financial assets for example land and buildings, at fair value every four years. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 21.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the CFMEU. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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Notes to the Financial Statements for the Year Ended 30 June 2014

1. Statement of Accounting Policies (cont'd)

Fair value measurement (cont'd)

The CFMEU uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the CFMEU determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the CFMEU has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

(e) Investments

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by the executive to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

Dividends and Interest is taken to income on an accrual basis.

(f) Trade and other payable

These amounts represent liabilities for goods and services provided to the union prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

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Notes to the Financial Statements for the Year Ended 30 June 2014

Events after the reporting period

There were no events that occurred after 30 June 2014, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of CFMEU.

**2a *Fair Work (Registered Organisations) Act 2009
Information to be provided to members***

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 of the Fair Work (Registered Organisations) Act 2009 which read as follows:

- (1) A member of an organisation, or a General Manager Fair Work Commission, may apply to the organisation for specified prescribed information in relation to the organisation.
- (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 organisation.
- (3) The organisation must comply with an application made under subsection (1)

**2b *Fair Work (Registered Organisations) Act 2009
Copies of Audited Financial Statements to be provided to members***

The organisation has already and will provide a copy of the Financial Statements free of charge to any member who so requests in writing.

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Notes to the Financial Statements for the Year Ended 30 June 2014

	<u>Notes</u>	2014 \$	2013 \$
<i>Note 3 – Income</i>			
<i>Note 3A – Levies:</i>			
Levies Received - Membership Support		410,170	361,714
Levies Received – Legal and Assistance	12	1,348,487	1,120,179
Levies Received – Donations	4D	294,655	365,307
		-----	-----
Total Levies		\$2,053,312	\$1,847,200
		-----	-----
<i>Note 3B – Interest:</i>			
Interest Received - Deposits		539,867	668,015
Interest Received – Legal and Assistance	12	25,285	72,415
		-----	-----
Total Interest		\$565,152	\$740,430
		-----	-----

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Notes to the Financial Statements for the Year Ended 30 June 2014

<u>Notes</u>	2014 \$	2013 \$
<i>Note 4 – Expenses</i>		
<i>Note 4A – Employee Expenses:</i>		
Holders of Office:		
Wages and Salaries	1,600,882	1,577,209
Leave and Other Entitlements-Paid	293,160	293,580
Leave and Other Entitlements-Provisions	(81,087)	201,749
Separation and Redundancies	-	151,943
Superannuation-Statutory	158,376	235,013
Superannuation-Non Statutory	82,962	35,510
	\$2,054,293	\$2,495,004
Employees other than Office Holders:		
Wages and Salaries	1,249,993	1,270,435
Leave and Other Entitlements-Paid	167,320	119,779
Leave and Other Entitlements-Provisions	131,651	(63,594)
Separation and Redundancies	137,656	51,668
Superannuation-Statutory	203,612	195,317
Superannuation-Non Statutory	63,123	68,155
	\$1,953,355	\$1,641,760
Other Employee Expenses:		
Payroll Tax	231,262	377,076
Staff Amenities	18,129	18,589
Recruitment of Staff Costs	4,488	9,285
Relocations Costs-Union Officials	804	12,501
Workers Compensation Insurance	20,884	14,599
Fringe Benefits Tax	77,884	118,285
	\$353,451	\$550,335
<i>Employee Expenses-Other</i>		
	\$4,361,099	\$4,687,099
<i>Total Employee Expenses</i>		
	-	-
<i>Note 4B – Capitation Fees</i>		

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Notes to the Financial Statements for the Year Ended 30 June 2014

	<u>Notes</u>	2014 \$	2013 \$
Note 4C – Affiliation Fees			
Australian Labour Party		102,369	80,933
Others (includes Union Shopper)		83,375	21,922
		-----	-----
Total Affiliation Fees		\$185,744	\$102,855
		-----	-----
Note 4D – Donations and Grants			
Grants		-	-
Total Paid that were \$1,000 or less		59,987	35,873
Total Paid that exceeded \$1,000		1,311,759	949,996
Donation Levies Received – Paid Out	3	294,655	365,307
		-----	-----
Total Donations and Grants		\$1,666,401	\$1,351,176
		-----	-----
Note 4E – Depreciation and Amortisation			
Depreciation			
Land and Buildings	7	59,835	59,728
Property, Plant and Equipment	7	313,930	363,066
		-----	-----
Total Depreciation and Amortisation		\$373,765	\$422,794
		-----	-----
Note 4F – Administration Expenses			
Conference and Meeting Expenses-Fees/Allowances		1,391,988	1,726,022
Conference and Meeting Expenses-Other		256,286	430,009
Office Requirements		55,910	69,962
Postage, Printing & Stationery		500,083	391,709
Computer Maintenance		140,726	122,136
Purchases-Subscriptions & Periodicals		36,715	49,339
		-----	-----
Total Administration Expenses		\$2,381,708	\$2,789,177
		-----	-----
Note 4G – Auditors Remuneration			
Auditing the Financial Report		39,500	50,200
Other Services		42,051	11,629
		-----	-----
Total Auditors Remuneration		\$81,551	\$61,829
		-----	-----

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Notes to the Financial Statements for the Year Ended 30 June 2014

	<u>Notes</u>	2014 \$	2013 \$
<i>Note 4H – Legal Costs</i>			
Litigation		-	-
Other Legal Matters paid from:			
General Funds		59,883	265,815
Legal and Assistance Reserve	12	1,972,218	801,024
Legal and Assistance Fund expenses		893,459	750,046
		-----	-----
<i>Total Legal Costs</i>		\$2,925,560	\$1,816,885
		-----	-----
 <i>Legal Costs – Other Legal Matters related to Unfair Dismissals, Workcover Claims, Supreme and Federal Court Hearings and were outsourced to Legal Firms - Hall Payne, Taylors, Slater & Gordon, Maurice Blackburn, AM Slevin & CM Hartigan</i>			
 <i>Note 4I – Occupancy Expenses</i>			
Electricity & Power		73,903	67,922
Rates & Land Tax		62,831	51,645
Rental Costs			
QCEUE – Rental Charge		-	69,440
CFMEUQ – Rental Charge		83,384	13,888
Rental-Regional Offices		42,630	34,935
Repairs & Maintenance		43,873	57,703
Security Costs		15,333	3,099
Cleaning and Pest Control		90,733	82,999
		-----	-----
<i>Total Occupancy Expenses</i>		\$412,687	\$381,631
		-----	-----

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Notes to the Financial Statements for the Year Ended 30 June 2014

<u>Notes</u>	2014 \$	2013 \$
<i>Note 4J – Other Expenses</i>		
Penalties-via RO Act or RO Regulations	-	-
Bank Fees and Charges	46,184	25,481
Advertising & Public Relations	97,163	75,391
Insurance-Property, Plant and Equipment	69,221	46,406
Leasing Costs - Operating	-	6,799
Loans Written Off	16,057	2,000
Executive Honoraria	34,296	19,269
Motor vehicle expense	115,268	113,933
Functions & Hospitality	219,767	270,361
Campaign Administration costs	207,962	65,682
Retirement gifts & parties	108,996	189,580
Expense – sale of plant and equipment	179,236	75,155
Consultancy Fees	95,576	144,890
	-----	-----
<i>Total Other Expenses</i>	\$1,189,726	\$1,034,947
	-----	-----

5. Statutory Disclosures

5(a) Economic dependency

The entity is not dependent on another reporting unit of the organisation for significant volume of revenue or financial support. CFMEU has not agreed to provide financial support to any other reporting unit.

5(b) Acquisition of assets and liabilities

CFMEU has not acquired an asset or liability during the financial year as a result of: an amalgamation under Part 2 of Chapter 3 of the RO Act; a restructure of the branches of the organisation; a determination by the General Manager under subsection 245(1) of the RO Act; or a revocation by the General Manager under subsection 249(1) of the RO Act.

**Construction, Forestry, Mining & Energy Union
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Notes to the Financial Statements for the Year Ended 30 June 2014

6. Trade and Other Receivables

	2014	2013
	\$	\$
(a) Current Receivables represented by:		
Dues Receivable	333,395	273,034
Loans - Members (unsecured)	148,566	195,262
Other Receivables	226,048	433,447
Interest Receivable	141,835	196,610
<i>Receivables from other reporting units:</i>		
CFMEU National Office	68,325	102,493
CFMEUQ	-	-
Provision for doubtful Debts	-	-
	\$918,169	\$1,200,846
	\$918,169	\$1,200,846
 (b) Non-Current Receivables represented by:		
Loans – AW Vickers (secured)	\$55,852	\$57,906
	\$55,852	\$57,906

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Notes to the Financial Statements for the Year Ended 30 June 2014

7. Property, Plant and Equipment

	2014	2013
	\$	\$
Property		
Land At Independent Valuation (30 June 2012)	865,000	865,000
Buildings At Independent Valuation (30 June 2012)	2,365,000	2,365,000
Buildings At Cost	28,396	28,396
	-----	-----
	3,258,396	3,258,396
Less: Accumulated Depreciation	(119,563)	(59,728)
	-----	-----
Total Property	3,138,833	3,198,668
	-----	-----
Motor Vehicles		
At Cost	902,306	767,859
Less: Accumulated Depreciation	(300,987)	(309,162)
	-----	-----
	601,319	458,697
	-----	-----
Plant and Equipment		
At Cost	1,209,369	1,164,757
Less: Accumulated Depreciation	(865,334)	(838,767)
	-----	-----
	344,035	325,990
	-----	-----
Lease Improvements		
At Cost	14,074	14,074
Less: Accumulated Depreciation	(1,252)	(900)
	-----	-----
	12,822	13,174
	-----	-----
Totals	\$4,097,009	\$3,996,529
	=====	=====

**Construction, Forestry, Mining & Energy Union
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Notes to the Financial Statements for the Year Ended 30 June 2014

7. Property, Plant and Equipment- cont'd

Movements in Carrying Value (CV) between the beginning and the end of the current financial year

	<u>At CV</u>	<u>At CV</u>
	<u>Motor Vehicles</u>	<u>Plant and Equipment</u>
Balance at the beginning of the year	458,697	325,990
Additions	489,228	161,509
Disposals	(176,492)	-
Depreciation	(170,114)	(143,464)
	-----	-----
Carrying amount at the end of the year	\$601,319	\$344,035
	-----	-----
	<u>Property</u>	<u>Leasehold Imp</u>
Balance at the beginning of the year	3,198,668	13,174
Additions	-	-
Revaluation Increments	-	-
Revaluation Decrements	-	-
Depreciation	(59,835)	(352)
	-----	-----
Carrying amount at the end of the year	\$3,138,833	\$12,822
	-----	-----
	2014	2013
<u>Sale of Fixed Assets:</u>		
Proceeds on sale of Fixed Assets	\$176,453	\$58,364
	-----	-----
Loss on sale of Fixed Assets	\$2,783	\$16,791
	-----	-----
<u>Reconciliation of Depreciation Expense</u>		
Plant and Equipment	143,464	155,948
Motor Vehicles	170,114	206,766
Property	59,835	59,728
Leasehold Improvements	352	352
	-----	-----
Total Depreciation Expense	373,765	422,794
	-----	-----

Property Revaluation are done at four year intervals.

The Properties were revalued as at 30th June 2012 by Independent Valuers to fair market value as follows:

CFMEU Moura Lodge at 41 Davey Street, Moura, Q4718
 CFMEU District Office at 33 Milton Street, Mackay, Q4740
 CFMEU District Office at 9 Joel Street, Emerald, Q4720
Valued by Herron Todd White Valuers (Central Qld), PO Box 379, Rockhampton, Q4700
 CFMEU District Office at 62 Edward Street, Dalby, Q4405
 CFMEU District Office at 66 Drayton Street, Dalby, Q4405
Valued by JND Partners, PO Box 438, Chinchilla, Q4413

The Committee of Management do not believe that there has been any material movement to that value since balance date.

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Notes to the Financial Statements for the Year Ended 30 June 2014

8. Investments

	2014	2013
	\$	\$
Current Investments represented by:		
IOOF Global One – at fair value	\$236,260	\$211,565
	=====	=====
Non Current Investments represented by:		
Shares in Unlisted Corporations – at cost	2	2
QCU Mackay Property Unit Trust – at cost	79,001	79,001
QCU Rockhampton Property Unit Trust – at cost	78,200	78,200
	-----	-----
Total Investments – Non Current	\$157,203	\$157,203
	=====	=====

9. Other Non-Current Assets

Deposits Paid-Film and Apps Production	\$457,353	\$205,728
	=====	=====

A Documentary is currently being produced on the Unions History in Queensland.
An App is being designed to assist in communication with the Membership through this technology.

10. Trade Payables

	2014	2013
	\$	\$
(a) Current Accounts Payable represented by:		
Legal and Assistance Fund-Legal costs payable	522,770	250,504
Other Trade Payables	595,614	777,004
<i>Payables to other reporting units:</i>		
CFMEU National Office	359,410	437,250
CFMEUQ	1,502,692	1,413,325
	-----	-----
	\$2,980,486	\$2,878,083
	=====	=====

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Notes to the Financial Statements for the Year Ended 30 June 2014

11. (a) Provision for Employee Entitlements - Total

	Provision Movements Increase/ (Decrease)	2014 \$	2013 \$
Current	\$		
Annual Leave	30,495	742,270	711,775
Sick Leave	12,267	472,299	460,032
Long Service Leave	7,802	154,284	146,482
Separation and Redundancies		-	-
		-----	-----
Total Office Holders and Employees		\$1,368,853	\$1,318,289
		=====	=====

The above is represented by:

Office Holders

Annual Leave	544,250	612,000
Sick Leave	374,744	388,081
Long Service Leave (Accrued by CFMEU National Office)	-	-

Employees other than Office Holders

Annual Leave	198,020	99,775
Sick Leave	97,555	71,951
Long Service Leave	154,284	146,482
	-----	-----
	\$1,368,853	\$1,318,289
	=====	=====

(b) Payments for Employee Entitlements

Payments for Employee Entitlements included in Wages are as follows:

Annual Leave and Loading	367,330	291,194
Sick Leave	99,677	116,196
Long Service Leave	-	5,969
Number of employees at end of financial year (Full Time Equivalents)	32	40

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Notes to the Financial Statements for the Year Ended 30 June 2014

12. Reserves

	2013	2012
	\$	\$
Legal and Assistance Reserve	-	1,308,215
Asset Revaluation Reserve	326,713	326,713
Total Reserves	326,713	1,634,928

Movements in Reserves

Legal and Assistance Reserve Net Movements

This reserve records payments of all weekly support and legal and assistance related costs including legal costs to members of this union that have been unfairly dismissed from their workplace. This payment is for the duration until the finalisation of the cases.

Opening Balance – 1 July 2013	1,308,215	1,666,691
Add Income:		
Member Contributions	1,348,487	1,120,179
Interest Received (Note 3B)	25,285	72,415
Other Income-Lodge Closure	30,439	-
Deduct Expenses:		
Legal Costs (Note 4H)	(1,972,218)	(801,024)
Member Support Payments	(636,150)	(519,203)
Share of District Costs	(144,000)	(144,000)
Other Operating Costs	(143,747)	(86,843)
Transfers-Retained Earnings	183,689	-
Balance at 30 June 2014	\$0	\$1,308,215

The balance of the Legal and Assistance Fund is invested by the organisation in the centralised pool of funds. Interest income is allocated each six months from the earnings of the centralised pool that are invested with the Commonwealth Bank of Australia and the Maritime Mining Power Credit Union.

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12. Reserves- cont'd

Asset Revaluation Reserves Movements

	2014	2013
	\$	\$
Opening Balance – 1 July 2013	326,713	326,713
Revaluation Increments	-	-
	-----	-----
Balance at 30 June 2014	\$326,713	\$326,713
	=====	=====

The asset revaluation reserve arises on the revaluation of non-current assets. Where revalued asset is sold, that portion of the assets revaluation reserve, which relates to that asset and is effectively realised, is transferred to retained profits. There were no movements this year.

13. Contingent Liabilities

Mortuary Benefits

The maximum exposure of the organisation for Mortuary Benefit Liability is unknown. It is estimated that the potential exposure of the Union, based on current membership, on a non-discounted cash flow basis would approximate \$12 million. Any amount paid is at the discretion of the District Executive as per Rule 16 of the organisation. A reserve of \$2,571,231 exists in the CFMEUQ Accounts in respect of this benefit.

Business Cards and Auto Pay

The maximum exposure of the organisation for the usage of Commonwealth Bank Business Cards currently held by various Lodge Officials and the Auto Pay Facility is \$750,000. This is secured by an undertaking in respect of the liquid assets of the organisation.

	2014	2013
	\$	\$
14. Leasing Commitments	Nil	Nil
	-----	-----
15. Capital Commitments	Nil	Nil
	-----	-----
16. Subsequent Events	Nil	Nil
	-----	-----

17. Segment Reporting

The Union operates in the Mining & Energy Sector in Queensland only.
The registered office of the union is 61 Bowen Street, Spring Hill, Qld 4000

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Notes to the Financial Statements for the Year Ended 30 June 2014

18. Executive Officers of the Union

The following were the Executives of the CFMEU, Mining & Energy Division (Queensland District Branch) during the year:

Current Executives:

SA Smyth	President
TD Whyte	Secretary
M Hughes	Executive Vice President
GW Power	Vice President
SA Pierce	Vice President
C Brodsky	Vice President
S Brunker	Vice President
GA Dalliston	ISHR
S Woods	ISHR
J L Hill	ISHR

All Executives are members of the organisation and pay dues on the same basis as other members.

19. Related Party Disclosures

(a) Executive remuneration

Details of executive remuneration have been disclosed in note 4 to the Financial Statements.

(b) Related Parties

(i) Related Parties of the Reporting Unit are: The Construction, Forestry, Mining & Energy, Industrial Union of Employees, Queensland - Mining, Energy and Ports District (CFMEUQ), Construction, Forestry, Mining & Energy Union Mining & Energy Division National Office (CFMEU National Office).

Members of the Committee of Management are:

- Division 1-Barry Elliott
- Division 2-Simon West
- Division 3-Jeff Scales
- Division 4-Bruce West
- Division 5-Brian Cruwys (Elected 24.06.13)
- Division 6-Michael Hartin
- Division 7-Michael Popp
- Central Councillor- Frank Baker
- Central Councillor- Scott Leggett
- Central Councillor- Fredrick Hibble
- Central Councillor- Brian Wise

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Notes to the Financial Statements for the Year Ended 30 June 2014

(ii) Amalgamation

On 1st May 2013, The Queensland Colliery Employees' Union of Employees-Queensland District Branch (QCEUE) and the Federated Engine Drivers' and Fireman's Association of Australasia - Queensland Branch Union of Employees (FEDFA) amalgamated to form The Construction, Forestry, Mining & Energy, Industrial Union of Employees, Queensland - Mining, Energy and Ports District (CFMEUQ).

All persons who were members of The Queensland Colliery Employees' Union of Employees-Queensland District Branch and the Federated Engine Drivers' and Fireman's Association of Australasia - Queensland Branch Union of Employees became members of The Construction, Forestry, Mining & Energy, Industrial Union of Employees, Queensland - Mining, Energy and Ports District without payment of any further fees.

The assets and liabilities of The Queensland Colliery Employees' Union of Employees-Queensland District Branch and the Federated Engine Drivers' and Fireman's Association of Australasia - Queensland Branch Union of Employees became assets and liabilities of The Construction, Forestry, Mining & Energy, Industrial Union of Employees, Queensland - Mining, Energy and Ports District on amalgamation day (1st May 2013).

(iii) Transactions with related parties are as follows:

- Income received from CFMEU National Office for Office Rental and Outgoings, Car Park, Telephone, Contribution towards Legal Officers Salaries in Brisbane and other reimbursements for postage, printing, stationery, etc - \$163,634
- Union Dues paid and payable to CFMEU National Office - \$2,751,318
- National Assistance Fund Payments collected from members - \$1,803,746 and remitted to CFMEU National Office - \$1,821,798
- National Assistance Fund Support Payments paid to members on behalf of CFMEU National Office and recouped from CFMEU National Office - \$20,300
- Recoupments from CFMEU National Office for lost wages for Central Councillors attending Union Meetings in Sydney - \$6,731
- Rental charge from CFMEUQ - \$83,384
- Office, Accounting and Reporting Services are supplied to CFMEUQ at no charge.
- Payments made to members of the Committee of Management as reimbursement for lost wages whilst attending Union Meetings - \$119,353

(iii) Details of Receivables and Payables with Related Parties have been disclosed in Note 6 and 10 of this Financial Statements.

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Notes to the Financial Statements for the Year Ended 30 June 2014

Note 20A: Key management personnel remuneration for the reporting period

Short-term employee benefits	<u>30.06.14</u>	<u>30.06.13</u>
Salary (including annual leave taken)	2,415,055	2,230,636
Annual leave accrued	616,795	555,294
Performance bonus	-	-
Total short-term employee benefits	<u>3,034,850</u>	<u>2,785,930</u>
Post-employment benefits:		
Superannuation	219,501	211,910
Total post-employment benefits	<u>219,501</u>	<u>211,910</u>
Other long-term benefits:		
Long-service leave	87,811	83,800
Total other long-term benefits	<u>87,811</u>	<u>83,800</u>
Termination benefits	<u>1,388,695</u>	<u>1,291,351</u>
Total	<u>4,730,857</u>	<u>4,372,991</u>

Note 20B: Transactions with key management personnel and their close family members

Loans to key management personnel		
<i>Mitch Hughes</i>	\$5,700	-
Loans from key management personnel		
<i>Nil</i>	-	-
Other transactions with key management personnel		
<i>Nil</i>	-	-

21. Financial Instruments

(a) Significant Accounting Policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial assets, financial liability are disclosed in Note 1 to the Financial Statements.

(b) Interest Rate Risk

The organisation's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities are as follows:

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Notes to the Financial Statements for the Year Ended 30 June 2014

21. Financial Instruments— cont'd

	Weighted Average Effective Interest Rate		Floating Interest Rate Variable		Non Interest Bearing	
	2014 %	2013 %	2014 \$	2013 \$	2014 \$	2013 \$
<u>Financial Assets</u>						
Cash at Bank	2.8	2.5	211,564	204,942	-	-
Interest						
Bearing Deposits	3.5	4.7	13,695,895	15,347,152	-	-
Investments	0.0	0.0	-	-	-	-
Trade Receivables	0.0	0.0	-	-	333,395	273,034
Officers' Loans	0.0	0.0	-	-	148,566	195,262
Total Financial Assets			\$13,907,459	\$15,552,094	\$481,961	\$468,296
<u>Financial Liabilities</u>						
Trade Payables	0.0	0.0	-	-	1,477,794	1,464,758
Payable-CFMEUQ Employee	0.0	0.0	-	-	1,502,692	1,413,325
Entitlements	0.0	0.0	-	-	1,368,853	1,318,289
Total Financial Liabilities			-	-	\$4,349,339	\$4,196,372

Fixed Interest within one year and Rates Maturing 1 to 5 years - Nil

(c) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The organisation does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the organisation.

(d) Net Fair Values

The net fair value approximates their carrying value. No financial assets or liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the organisation intends to hold these to maturity.

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Notes to the Financial Statements for the Year Ended 30 June 2014

21. Financial Instruments– cont'd

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

22. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the statement of financial position as follows:

	2014 \$	2013 \$
Cash & Cash Equivalents	13,909,256	15,554,055
	<u>\$13,909,256</u>	<u>\$15,554,055</u>

(b) Reconciliation of Cash Flows from Operations with profit from ordinary activities

(Loss) / Profit from Ordinary Activities	(1,715,860)	82,139
--	-------------	--------

Adjustments for Non Cash Items:

Add:

Depreciation	373,765	422,794
Rental – CFMEUQ	83,384	13,844
Rental – QCEUE	-	69,440
Loss on Sale of Fixed Assets	2,783	16,791
Transfers-Legal and Assistance Fund	1,491,905	358,475

(Increase) / Decrease in Assets:

Trade and Other Receivables - Current	282,677	38,054
Other Assets - Current	(14,533)	45,127
Other Receivables - Current	2,054	80
Other Assets – Non Current	(251,625)	-

Increase / (Decrease) in Liabilities:

Accounts Payable	102,403	(390,647)
Provisions	50,564	138,156
	<u>\$407,517</u>	<u>\$794,253</u>