



3 March 2016

Mr Tim Whyte
District Secretary
Construction, Forestry, Mining and Energy Union, Mining and Energy Division, Queensland
District Branch
Level2, 61 Bowen Street
SPRING HILL QLD 4004

via email: t.whyte@cfmeuqld.asn.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 2015 - FR2015/88**

I acknowledge receipt of the financial report for the year ended 30 June 2015 for the Construction, Forestry, Mining and Energy Union, Mining and Energy Division, Queensland District Branch (the reporting unit). The financial report was lodged with the Fair Work Commission (FWC) on 5 February 2016.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2016 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 FWC will confirm these concerns have been addressed prior to filing next year's report.

Non-compliance with previous requests

While we filed last year's financial report, we raised certain issues for the reporting unit to address in the preparation of future financial reports. I note that some of the errors have appeared in the current report, namely the requirement to disclose the accounting policy for membership support levies and legal and assistance levies in accordance with the Australian Accounting Standards and item 14(c) of the Reporting Guidelines.

The FWC aims to assist reporting units in complying with their obligations under the RO Act and Reporting Guidelines, by providing advice about the errors identified in financial reports. Continual failure to address these issues may lead to the General Manager exercising her powers under section 330 of the RO Act.

Auditor's statement

Should be addressed to members

The Auditor's Statement was not addressed to the members of the reporting unit. Item 22 of Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report* state "the auditor's report shall be addressed as required by the circumstances of the engagement." Item A16 of ASA 700 state "law or regulation often specifies to whom the auditor's report is to be addressed in that particular jurisdiction. The auditor's report is normally addressed to those for whom the report is prepared...".

In this instance the report is prepared for the members of the reporting unit. Accordingly, the Auditor's statement is required to be addressed to the Members of the reporting unit. I note that the Auditor's statement is addressed to the members of the Construction, Forestry, Mining and Energy Union. It should be addressed to the members of the Construction, Forestry, Mining and Energy Union, Mining and Energy Division, Queensland District Branch.

References to Industrial Register

Item (d) in the Auditor's Opinion refers to the 'reporting guidelines of the Industrial Register'. For any actions on or after 1 July 2009 references should now be to the *Fair Work (Registered Organisations) Act 2009* therefore any reference to the 'Industrial Registrar' and also to a 'Registrar' should now be 'General Manager'.

Statement of comprehensive income

Statement of Loans, Grants and Donations

Receipt is acknowledged of the statement of loans, grants and donations exceeding \$1000 made by the reporting unit during the financial year ended 30 June 2015. The statement was lodged with the FWC on 5 February 2016. I also acknowledge additional information relating to the statement and the reconciliation with the reported figure for this item in the financial report. This information was provided by Ms Nicole Boucher from the reporting unit on 3 March 2016.

Subsection 237(1) of the RO Act requires a statement of relevant loans, grants and donations to be lodged with the FWC within 90 days of the end of each financial year. For the reporting unit the statement must be lodged by 28 September. As stated above the statement was lodged on 5 February 2016. The statement was lodged outside the statutory timeframe therefore the reporting unit should have applied for an extension of time to lodge the statement of loans, grants and donations in accordance with section 237(1) of the RO Act.

Please note that in future financial years if an extension of time is required, a written request, signed by a relevant officer, including any reason for the delay, must be made prior to required date of lodgement.

I remind you that subsection 237(1) is a civil penalty provision and future failure to meet this timelines may result in an inquiry into the organisation and the General Manager of the FWC may apply under s.310(1) of the RO Act to the Federal Court of Australia for a pecuniary penalty order to be imposed on your organisation and, potentially, an officer whose conduct led to the non-compliance.

The contents of the statement have been noted and the statement has been placed on the FWC files.

Reporting Requirements

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

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

Yours sincerely

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

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION

Mining and Energy Division

Queensland District Branch

ABN 73 089 711 903

Financial Report for the Financial Year Ended

30 June 2015

Financial Report for the Financial Year Ended

30 June 2015

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To the members of the Construction, Forestry, Mining and Energy Union

Report on the Financial Report

We have audited the accompanying financial report of Construction, Forestry, Mining and Energy Union, which comprises the Statement of Financial Position as at 30 June 2015, the Statement of Comprehensive Income, Statement of Changes in Equity, the Cash Flow Statement and the Recovery of Wages Activity for the year then ended, a summary of significant accounting policies and other explanatory notes and the Committee of Management Statement. This audit has been conducted by an approved auditor whom is a member of the Institute of Chartered Accountants in Australia and holds a current Public Practice Certificate.

The responsibility of the Committee of Management for the Financial Report

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 and 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 directors, 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.

INDEPENDENT AUDITOR'S REPORT

Independence

In conducting our audit, we have complied with the independence requirements of the professional standards.

Auditor's Opinion

In our opinion, the general purpose financial report and notes and recovery of wages presents fairly, in all material respects:

- (a) the financial position of Construction, Forestry, Mining and Energy Union as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations);
- (b) we have concluded that managements' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- (c) with the AASB and any other requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009;
- (d) the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the Industrial Register, including:
 - I. there were no fees charged or reimbursement of expenses claimed from members and others for recovery of wages activity; and
 - II. there were no donations or other contributions deducted from recovered money as there was no recovered money during the financial year.



Peter Sheville
Vincents Audit & Assurance
10 December 2015

Designated Officers Certificate
S268 of Fair Work (Registered Organisations) Act 2009

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

- That the documentation lodged herewith are copies of the full report for the Construction, Forestry, Mining and Energy Union, Mining and Energy Division, Queensland District Branch for the period ended 30th June 2015, 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 10th December 2015; and
- That the full report was further presented to the members of the reporting units through a series of lodge meetings held between 1 January 2016 and 31 January 2016, in accordance with s266 of the Fair Work (Registered Organisations) Act 2009.


.....

Timothy David Whyte
(Secretary)
Prescribed designated officer

Dated: 3/2/2016.....

Operating Report for the year ended 30 June 2015

The committee presents its report on the reporting unit for the financial year ended 30 June 2015.

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 maybe 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 (\$384,708). 2014: Loss of (\$1,715,860).

The loss from ordinary activities was influence by the following key matters:

1. ongoing declining membership (Membership subscription revenue \$10,347,899 for 2015; \$12,117,575 for 2014),
2. declining cash interest rates (Interest revenue \$470,228 for 2015; \$565,152 for 2014); and
3. an increase in legal related expenditure resulting from the level of industrial activity in serving our 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 s174 of the Fair Work (Registered Organisations) Act 2009.

Other information:

- The number of members of the branch as at 30 June 2015 was 6,831. (2014: 7,843);
- The number of full-time equivalent employees of the branch at 30 June 2015 was:
 - Executives – 10;
 - Legal Officers – 2;
 - Office Staff – 11;
 - Lodge executives - 5

Operating Report for the year ended 30 June 2015

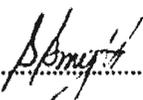
Names of Committee of Management members as at 30 June 2015:

Board of Management Members:

- President Stephen Smyth
- Senior Vice President Mitch Hughes
- Secretary Timothy Whyte
- Division 1 Barry Elliot
- Division 2 Simon West
- Division 3 Jeff Scales
- Division 4 Bruce West
- Division 5 Steven Grant
- Division 6 Michael Hartin
- Division 7 Michael Gleeson

Central Councillors

- Frank Baker
- Scott Leggett
- Fredrick Hibble
- Brian Wise


.....
Stephen Allan Smyth
(President)


.....
Timothy David Whyte
(Secretary)

Dated: 10/12/15
.....

Dated: 9/12/15
.....

Committee of Management Statement for the year ended 30 June 2015

On 2 December 2015, the Committee of Management of the Construction, Forestry, Mining and Energy Union, Mining and Energy Division, Queensland 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 2015.

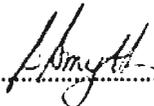
The Committee of Management declares that in its opinion:

1. The financial statements and notes comply with the Australian Accounting Standards;
2. The financial statements and notes comply with the reporting guidelines of the General Manager;
3. 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;
4. 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
5. 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 branch concerned;
 - ii. The financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of the branch concerned;
 - iii. The financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009;
 - 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;
 - v. Where information has been sought in any request by a member of the reporting unit or General Manager duly made under s272 of the Registered Organisations Act has been provided to the member of General Manager; and
 - vi. Where any order for inspection of financial records has been made by the Fair Work Commission under s273 of the Registered Organisation Act, there has been compliance.

**Committee of Management Statement
for the year ended 30 June 2015**

6. No revenue has been derived from undertaking recovery of wages activity during the reporting period.

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


.....

Stephen Allan Smyth
(President)


.....

Timothy David Whyte
(Secretary)

Dated: 10/12/15.....

Dated: 9/12/15.....

ABN 73 089 711 903

Statement of Comprehensive Income for the year ended 30 June 2015

	Notes	2,015 \$	2014 \$
Revenue			
Membership subscription		10,347,899	12,117,575
Capitation Fees	3A	0	0
Levies	3B	2,206,899	2,053,312
Interest	3C	470,228	565,152
Rental revenue	3D	152,101	123,186
Other Revenue		281,058	434,588
Total revenue		13,458,185	15,293,813
Other Income			
Grants and/or donations	3E	24,536	5,500
Share of net profit from associates	6E	0	0
Net gains from sale of assets	3F	3,775	0
Total other income		28,311	5,500
Total Revenue		13,486,496	15,299,313
Expenses			
Employee Expenses	4A	4,331,101	4,361,099
Capitation Fees	4B	0	0
Affiliation Fees	4C	129,188	185,744
Administration Expenses	4D	1,725,670	2,794,395
Donations and Grants	4E	718,624	1,666,401
Depreciation	4F	351,815	373,765
Finance costs	4G	0	0
Legal Expenses	4H	2,318,275	2,925,560
Dues - Federal Body		2,229,746	2,751,318
Auditors Remunerations	14	70,491	81,551
Share of net loss from associate	6E	0	0
Write-down and impairment of assets	4I	0	0
Telephone and Facsimile		282,585	365,034
Purchases - Union Merchandise		184,194	320,580
Net loss on sale of assets	4J	0	179,236
Other Expenses	4K	1,529,515	1,010,490
Total expenses		13,871,204	17,015,173
Profit (loss) for the year		(\$384,708)	(\$1,715,860)

Statement of Comprehensive Income for the year ended 30 June 2015

Other comprehensive income

Items that will not be subsequently reclassified to profit and loss	0	0
Gain on revaluation of land & buildings	0	0
Total comprehensive income for the year	(\$384,708)	(\$1,715,860)

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

ABN 73 089 711 903

Statement of Financial Position for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	13,484,476	13,909,256
Trade and Other receivables	5B	870,909	918,169
Other current assets	5C	349,279	236,260
Total current assets		14,704,664	15,063,685
Non-Current Assets			
Land and buildings	6A	3,076,901	3,138,833
Leasehold improvements	6A	16,474	12,822
Plant and equipment	6B	199,614	344,035
Motor vehicles	6B	390,916	601,319
Investment property	6C	0	0
Intangibles	6D	583,446	57,215
Investments in associates	6E	55,622	55,852
Other investments	6F	157,203	157,203
Other non-current assets	6G	0	400,138
Total non-current assets		4,480,176	4,767,417
Total Assets		19,184,840	19,831,102
LIABILITIES			
Current Liabilities			
Trade payables	7A	2,495,395	2,390,183
Other payables	7B	498,749	590,303
Employee provisions	8A	1,093,641	1,368,853
Total Current Liabilities		4,087,785	4,349,339
Non-Current Liabilities			
Employee provisions	8A	0	0
Other non-current liabilities	9A	0	0
Total non-current liabilities		0	0
Total liabilities		4,087,785	4,349,339
Net Assets		\$ 15,097,055	\$ 15,481,763

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

ABN 73 089 711 903

**Statement of Financial Position
for the year ended 30 June 2015**

Equity			
General funds	10A	14,770,342	15,155,050
Reserves		326,713	326,713
Total Equity		\$ 15,097,055	\$ 15,481,763

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

ABN 73 089 711 903

Statement of Changes in Equity for the year ended 30 June 2015

	Notes	Legal & Assistance Reserve	Asset Revaluation Reserve	General Funds	Total Equity
Balance as at 1 July 2013		1,308,215	326,713	15,562,694	17,197,622
Adjustment for errors		0	0	0	0
Adjustment for changes in accounting policies		0	0	0	0
Loss for the year		0	0	(\$1,715,860)	(\$1,715,860)
Transfer - Retained earnings		183,689	0	0	183,689
Transfer to legal and assistance reserve		1,404,211	0	(\$183,689)	1,220,522
Transfer from the legal and assistance reserve	10A	(\$2,896,115)	0	1,491,905	(\$1,404,210)
Closing balance as at 30 June 2014		0	326,713	15,155,050	15,481,763
Adjustment for errors		0	0	0	0
Adjustment for changes in accounting policies		0	0	0	0
Loss for the year		0	0	(\$384,708)	(\$384,708)
Transfers - Retained Earnings		765,719	0	0	765,719
Transfers to legal and assistance reserve		1,687,261	0	0	1,687,261
Transfers from legal and assistance reserve	10A	(\$2,452,980)	0	0	(\$2,452,980)
Closing balance as at 30 June 2015		0	326,713	14,770,342	15,097,055

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

Cash Flow Statement for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
OPERATING ACTIVITIES			
Cash Received			
Receipts from membership Dues		11,652,392	13,075,534
Receipts - CFMEU National Office	11B	150,901	170,365
Receipts - Levies		2,233,761	2,053,312
Interest received		485,408	619,927
Expenses recouped		98,533	144,000
Other income		257,694	242,821
Cash Used			
Payments to employees		(4,406,438)	(4,361,099)
Payments to suppliers		(7,037,887)	(6,799,445)
Payments to CFMEU National Office	11B	(3,657,400)	(4,737,898)
Net cash from (used by) operating activities	11A	(223,036)	407,517
INVESTING ACTIVITIES			
Cash Received			
Proceeds from sale of property, plant & equipment		155,042	176,453
Cash Used			
Payments for property, plant & equipment		(306,997)	(653,481)
Net cash from (used by) investing activities		(151,955)	(477,028)
FINANCING ACTIVITIES			
Cash Received			
Repayments of borrowings by members		81,800	73,489
Cash Used			
Loans to members		(131,589)	(42,850)
Net cash from (used by) financing activities		(49,789)	30,639
Net decrease in cash held		(424,780)	(1,644,799)
Cash at beginning of reporting period		\$ 13,909,256	15,554,055
Cash and cash equivalents at the end of the reporting period	5A	\$ 13,484,476	\$ 13,909,256

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

**Recovery of Wages Activity
for the year ended 30 June 2015**

	2015		2014
	\$		\$
Cash assets in respect of recovered money at beginning of year	\$ -	\$ -	-
Receipts			
Amounts recovered from employers in respect of wages etc.	-		-
Interest received on recovered money	-		-
Total receipts	\$ -	\$ -	-
Payments			
Deductions of amounts due in respect of membership for:			
12 months or less	-		-
Greater than 12 months	-		-
Deductions of donations or other contributions to accounts or funds of:			
The reporting unit	-		-
Other reporting unit	-		-
Other entity	-		-
Deduction of fees or reimbursement of expenses	-		-
Payments to workers in respect of recovered money	-		-
Total payments	\$ -	\$ -	-
Cash assets in respect of recovered money at the end of year	\$ -	\$ -	-
Number of workers in which the monies recovered relates	-		-
Aggregate payables to workers attributable to recovered monies but not yet distributed			
Payables balance	-		-
Number of workers payables relates to	-		-
Loans to members	-		-
Fund or account operated for recovery of wages			
Nil	-		-

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Notes to the financial statements for the year ended 30 June 2015

Note 1 - Statement of Significant Accounting Policies

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

1.1 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 and Energy Division, Queensland District Branch is a not-for-profit entity.

The financial statements have been prepared on an accruals 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 of the effects if changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Principles in 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.

1.3 Comparative amounts

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

1.4 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 reviewed and in any future periods affected.

Notes to the financial statements for the year ended 30 June 2015

1.5 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 Standard 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 the Construction, Forestry, Mining and Energy Union, Mining and Energy Division, Queensland Branch.

1.6 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

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

Donation income is recognised when received.

Revenue from the sale of goods is recognised when, the risk and rewards of the 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 the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Membership support levies (Voluntary - \$519,638 (2014 - \$410,170) 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 range from \$300 to \$700 and are included as donations paid in the income statement.

1.7 Gains

Sales of assets

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

Notes to the financial statements for the year ended 30 June 2015

1.8 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

1.9 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 the 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 the 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.

Provision is made for separation and redundancy benefit payments. CFMEU Mining and Energy Division recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.10 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 the current liabilities on the Statement of Financial Position.

1.11 Financial instruments

Financial assets and 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 and loss) are added to or deducted

Notes to the financial statements for the year ended 30 June 2015

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.

1.12 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit and 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.

1.13 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.

1.14 Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in 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.

1.15 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 the effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit and loss.

1.16 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

Notes to the financial statements for the year ended 30 June 2015

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.

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 user of an allowance account. When trade receivables are 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 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.

1.17 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 assets 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.

1.18 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.

1.19 Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, not of transaction costs.

Other financial liabilities are subsequently measured at amortised costs using the effective interest method. With interest expense recognised on the effective yield basis.

Notes to the financial statements for the year ended 30 June 2015

1.20 *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.

1.21 *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.

1.22 *Land, Buildings, Plant and Equipment*

Asset Recognition Threshold

Purchase 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 the assets do not differ materially from those would be determined using fair values as at 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 reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of asset are 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.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over the 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.

Notes to the financial statements for the year ended 30 June 2015

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 of 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 processed and the carrying amount of the asset and is recognised in the profit and loss.

1.23 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.24 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful lives of CFMEU's intangible assets are:

	2015
– Film	10 years
– Software	2.5 years

Notes to the financial statements for the year ended 30 June 2015

1.25 Impairment of 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 then 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 CFMEU were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.26 Taxation

CFMEU is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligations for fringe benefits tax (FBT) and 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 the 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 financial activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.27 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.

Notes to the financial statements for the year ended 30 June 2015

The principal or the most advantageous market must be accessible by the CFMEU. The fair value of the asset or a liability is measured using the assumptions that the 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.

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 price in active market 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.

1.28 ***Going concern***

CFMEU Mining and Energy is not reliant on financial support from any other entity.

CFMEU Mining and Energy has agreed to provide Blackwater Mine Workers Club with financial support to ensure they can continue on a going concern basis. This agreed financial support is to continue until February 2016. This is an interest free agreement with repayments to be made on a weekly basis from February 2016.

Notes to the financial statements for the year ended 30 June 2015

1.29 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 accruals basis.

Note 2 – Events after reporting date

There were no events that occurred after 30 June 2015, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the CFMEU.

Notes to the financial statements for the year ended 30 June 2015

	2015	2014
	\$	\$
Note 3 - Income		
Note 3A - Capitation	-	-
Note 3B - Levies		
Membership Support (voluntary)	519,638	410,170
Legal and Assistance (voluntary)	1,687,261	1,348,487
Donations (voluntary)		294,655
Total Levies	\$ 2,206,899	\$ 2,053,312
Note 3C - Interest		
Interest Received - Deposits	470,228	539,867
Purchases - Union Merchandise	-	25,285
Total Interest	\$ 470,228	\$ 565,152
Note 3D - Rental revenue		
Properties	152,101	123,186
Other	-	-
Total rental revenue	\$ 152,101	\$ 123,186
Note 3E: Grants or donations		
Grants	-	-
Donations	24,536	5,500
Total gifts and/or donations	\$ 24,536	\$ 5,500
Note 3F: Net gains from sale of assets		
Land and buildings	-	-
Leasehold improvements	-	-
Plant and equipment	493	-
Motor vehicle	3,282	-
Intangibles	-	-
Total net gain from sale of assets	\$ 3,775	\$ -

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

ABN 73 089 711 903

Notes to the financial statements for the year ended 30 June 2015

	2015	2014
	\$	\$
Note 4 - Expenses		
Note 4A - Employee Expenses		
Board members and executives		
Wages and Salaries	2,240,965	1,600,882
Leave and other entitlements - Paid	319,148	293,160
Leave and other entitlements - Provision	55,405	(81,087)
Superannuation - Statutory	164,243	158,376
Superannuation - Other	56,635	82,962
Other Employee Expenses	222,675	220,903
Subtotal board members and executives	<u>\$ 3,059,071</u>	<u>\$ 2,275,196</u>
Other Employees		
Wages and Salaries	1,109,357	1,249,993
Leave and other entitlements - Paid	246,950	167,320
Leave and other entitlements - Provision	(485,342)	131,651
Separations and redundancies	109,532	137,656
Superannuation - Statutory	150,270	203,612
Superannuation - Other	52,512	63,123
Other Employee Expenses	88,751	132,548
Subtotal other employees	<u>\$ 1,272,030</u>	<u>\$ 2,085,903</u>
Total employee expenses	<u>\$ 4,331,101</u>	<u>\$ 4,361,099</u>
Note 4B – Capitation fees	<u>\$ -</u>	<u>\$ -</u>
Note 4C - Affiliation Fees		
Australian Labour Party	58,823	102,369
Others including Union Shopper	70,365	83,375
Total affiliation fees	<u>\$ 129,188</u>	<u>\$ 185,744</u>

Construction, Forestry, Mining and Energy Union
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Notes to the financial statements for the year ended 30 June 2015

	2015	2014
	\$	\$
Note 4D - Administration Expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meetings and conferences	-	-
Conferences and Meetings	654,707	1,648,274
Office Requirements	40,534	55,910
Postage, Printing and Stationery	509,867	500,083
Property costs	408,751	412,687
Computer Maintenance	96,051	140,726
Purchases - subscriptions and periodicals	15,760	36,715
Total administration expenses	\$ 1,725,670	\$ 2,794,395
Note 4E - Donations and Grants		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	98,423	59,987
Donation Levies paid that were \$1,000 or less	299,900	294,655
Total paid that exceeded \$1,000	320,301	1,311,759
Total donations and grants	\$ 718,624	\$ 1,666,401
Note 4F - Depreciation and Amortisation		
Depreciation:		
Land & Buildings	59,686	59,835
Plant & Equipment	89,359	313,930
Motor Vehicles	160,875	-
Total Depreciation	\$ 309,920	\$ 373,765
Amortisation:		
Software	22,886	-
"Blood on the Coal" Film	19,009	-
Total Amortisation	\$ 41,895	\$ -
Total Depreciation and Amortisation	\$ 351,815	\$ 373,765

Notes to the financial statements for the year ended 30 June 2015

	2015	2014
	\$	\$
Note 4G - Finance costs		
Finance leases	-	-
Overdrafts and loans	-	-
Unwinding of discount	-	-
Total finance costs	\$ -	\$ -
Note 4H - Legal Costs		
Litigation	-	-
Other legal matters paid from:		
General funds	85,548	59,883
Legal and Assistance Fees	1,515,168	1,972,218
Legal and Assistance Fund Expenses	717,559	893,459
Total legal costs	\$ 2,318,275	\$ 2,925,560
Note 4I - Write-down and impairment of assets		
Asset write-downs and impairments of:		
Land and buildings	-	-
Plant and equipment	-	-
Intangible assets	-	-
Other	-	-
Total write-down and impairment of assets	\$ -	\$ -
Note 4J - Net losses from sale of assets		
Land and buildings	-	-
Plant and equipment	-	179,236
Intangibles	-	-
Total net losses from asset sales	\$ -	\$ 179,236

Construction, Forestry, Mining and Energy Union
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Notes to the financial statements for the year ended 30 June 2015

	2015	2014
	\$	\$
Note 4K - Other expenses		
Penalties - via RO Act or RO Regulations	-	-
Bank fees and charges	43,634	46,184
Advertising and public relations	209,321	97,163
Insurances Property, plant & equipment	67,700	69,221
Leasing costs - operating	-	-
Loans Written off	5,000	16,057
Executive Honoraria	29,584	34,296
Motor vehicle expenses	117,542	115,268
Functions and hospitality	382,502	219,767
Campaign administration costs	24,560	207,962
Retirements and tributes	138,954	108,996
Loss on sale of plant and equipment	-	179,236
Travel - airfares, accommodation and car hire	455,274	-
Consultancy fees	55,444	95,576
Total other expenses	\$ 1,529,515	\$ 1,189,726

Notes to the financial statements for the year ended 30 June 2015

	2015	2014
	\$	\$
Note 5 - Current Assets		
Note 5A - Cash and Cash Equivalents		
Cash at bank	456,182	297,194
Cash on hand	2,978	(4,645)
Short term deposits	13,025,316	13,616,707
Other	-	-
Total cash and cash equivalents	\$ 13,484,476	\$ 13,909,256
Note 5B - Trade and Other Receivables		
Trade and Other Receivable	473,562	333,395
Loans - Members (unsecured)	182,213	148,566
Loans - Associates (unsecured)	10,046	-
Other Receivables	100,000	226,048
Interest Receivable	105,088	141,835
CFMEU National Office	-	68,325
Less Provision for Doubtful Debts	-	-
Total trade and other receivables	\$ 870,909	\$ 918,169
Note 5C - Other current assets		
Stock on Hand	92,441	-
Short term investments	256,838	236,260
Total other current assets	\$ 349,279	\$ 236,260

Notes to the financial statements for the year ended 30 June 2015

	2015	2014
	\$	\$
Note 6 - Non-current Assets		
6A - Land and Buildings		
Land at valuation	865,000	865,000
Buildings at valuation	2,424,125	2,365,000
Buildings at cost	28,396	28,396
	<u>\$ 3,317,521</u>	<u>\$ 3,258,396</u>
Less: Accumulated depreciation	(240,620)	(119,563)
Total land and buildings	<u>\$ 3,076,901</u>	<u>\$ 3,138,833</u>
Leasehold improvements		
Improvements at cost	18,174	14,074
Less: Accumulated depreciation	(1,700)	(1,252)
Total leasehold improvements	<u>\$ 16,474</u>	<u>\$ 12,822</u>
Reconciliation of Opening and Closing Balances of Land and Buildings		
	Property	Leasehold Improvements
As at 1 July	3,138,833	12,822
Additions	0	4,100
Disposals	0	0
Adjustments	(2,694)	(448)
	<u>\$ 3,136,139</u>	<u>\$ 16,474</u>
Less depreciation	(59,238)	-
Net book value 30 June	<u>\$ 3,076,901</u>	<u>\$ 16,474</u>
6B - Plant and equipment		
Plant and equipment		
At cost	1,156,018	1,209,369
Less: Accumulated depreciation	(956,404)	(865,334)
Total plant and equipment	<u>\$ 199,614</u>	<u>\$ 344,035</u>
Motor vehicles		
At cost	690,069	902,306
Less: Accumulated depreciation	(299,153)	(300,987)
Total motor vehicles	<u>\$ 390,916</u>	<u>\$ 601,319</u>

Notes to the financial statements for the year ended 30 June 2015

	2015 \$	2014 \$
Reconciliation of Opening and Closing Balances of Plant and equipment		
	Plant & equipment	Motor Vehicles
As at 1 July	344,035	601,319
Add additions	48,366	101,054
Less disposals	(1,178)	(153,864)
Adjustments	(102,743)	0
	\$ 288,480	\$ 548,509
Gain or loss on sale of assets	493	3,282
Less depreciation	(89,359)	(160,875)
Net book value 30 June	\$ 199,614	\$ 390,916
6C - Investment Property		
Opening balance as at 1 July 2014	-	-
Additions	-	-
Net gain from fair value adjustment	-	-
Total investment property	\$ -	\$ -
6D - Intangibles		
Software at cost:		
Internally Generated	57,215	57,215
Less: Accumulated amortisation	(23,551)	-
Total software	\$ 33,664	\$ 57,215
Film at cost		
Internally Generated	568,791	-
Less: Accumulated amortisation	(19,009)	-
Total film	\$ 549,782	\$ -

Notes to the financial statements for the year ended 30 June 2015

	2015	2014
	\$	\$
Reconciliation of Opening and Closing Balances of Intangibles		
As at 1 July	57,215	57,215
Add additions	568,791	-
Less disposals	-	-
	<u>\$ 626,006</u>	<u>\$ 57,215</u>
Less depreciation	- 42,560	-
Net book value 30 June	<u><u>\$ 583,446</u></u>	<u><u>\$ 57,215</u></u>
Note 6E - Investments in Associates		
Secured property loan to associate	55,622	55,852
Total investments	<u><u>\$ 55,622</u></u>	<u><u>\$ 55,852</u></u>
Share of net profit from associates	-	-
Share of net loss from associates	-	-
Note 6F - Other Investments		
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 other investments	<u><u>\$ 157,203</u></u>	<u><u>\$ 157,203</u></u>
Note 6G - Other non-current assets		
Deposits paid film and app production	-	457,353
Total other non-current assets	<u><u>\$ -</u></u>	<u><u>\$ 457,353</u></u>

A documentary has been completed and is now recognised as an intangible asset.

The CFMEU app is completed and has been recognised as software.

Notes to the financial statements for the year ended 30 June 2015

	2015	2014
	\$	\$
Note 7 -Current Liabilities		
Note 7A - Trade Payables		
Legal costs payable		
Other Trade Payables	371,298	528,081
Subtotal trade creditors	\$ 371,298	\$ 528,081
Payables and other reporting units		
CFMEU National Office	532,038	359,410
CFMEUQ	1,592,059	1,502,692
Subtotal payables to other reporting units	\$ 2,124,097	\$ 1,862,102
Total trade payables	\$ 2,495,395	\$ 2,390,183
Settlement is usually made within 30 days.		
Note 7B - Other Payables		
Superannuation	57,741	31,959
Consideration to employers for payroll deductions	0	0
Legal costs	434,698	522,770
GST Payable	(11,557)	14,216
Other	17,867	21,358
Total other payables	\$ 498,749	\$ 590,303
Total other payables are expected to be settled in:		
No more than 12 months	498,749	590,303
More than 12 months	-	-
Total other payables	\$ 498,749	\$ 590,303

Notes to the financial statements for the year ended 30 June 2015

	2015	2014
	\$	\$
Note 8 - Provisions		
Note 8 - Employee Provisions		
Office Holders		
Annual Leave	459,795	544,250
Sick Leave	417,371	374,744
Long Service Leave (Accrued by CFMEU National Office)	-	-
Separations and Redundancies	-	-
Other	-	-
Subtotal employee provisions - office holders	\$ 877,166	\$ 918,994
Employees other than Office Holders		
Annual Leave	69,732	198,020
Sick Leave	88,530	97,555
Long Service Leave	58,213	154,284
Separations and Redundancies	-	-
Other	-	-
Subtotal employee provisions - employees other than office holders	\$ 216,475	\$ 449,859
Total employee provisions	1,093,641	1,368,853
Current	1,093,641	1,368,853
Non-Current	-	-
Total employee provisions	\$ 1,093,641	\$ 1,368,853
Note 9 - Non-current Liabilities		
Note 9A - Other non-current liabilities		
Total other non-current liabilities	\$ -	\$ -

Notes to the financial statements for the year ended 30 June 2015

	2015	2014
	\$	\$
Note 10 - Equity		
Note 10A - Funds		
General Funds		
Balance as at start of year	15,155,050	15,562,694
Transfer to reserve	0	1,491,905
Transferred out of reserve	(\$384,705)	(\$1,899,549)
Balance as at end of year	\$ 14,770,345	\$ 15,155,050
Legal and Assistance Fund		
Balance as at start of year	0	1,308,215
Transfer to reserve	2,452,980	1,587,900
Transferred out of reserve	(2,452,980)	(2,896,115)
Balance as at end of year	\$ -	\$ -
Note 11 - Cash Flow		
Note 11A - Reconciliation of cash and cash equivalents per Balance Sheet to Cash Flow Statement		
Cash and cash equivalents per:		
Cash flow statement	13,484,476	13,909,256
Balance sheet	13,484,476	13,909,256
Difference	\$ -	\$ -

Notes to the financial statements for the year ended 30 June 2015

	2015	2014
	\$	\$
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	(384,705)	(1,715,860)
Adjustments for non-cash items		
Depreciation/amortisation	351,815	373,765
Net write-down of non-financial assets	0	0
Fair value movements in investment property	0	0
Transfers - Legal and Assistance Fund	27,928	1,491,905
Gain on disposal of assets	(3,775)	2,783
Changes in assets/liabilities		
(Increase)/decrease in net receivables	47,260	18,573
(Increase)/decrease in prepayments	0	0
Increase/(decrease) in supplier payables	105,206	185,787
Increase/(decrease) in other payables	(91,553)	0
Increase/(decrease) in employee provisions	(275,212)	50,564
Increase/(decrease) in other provisions	0	0
	<u>(384,705)</u>	<u>(1,715,860)</u>
Net cash from (used by) operating activities	<u>(\$223,036)</u>	<u>407,517</u>
Note 11B - Cash flow information		
Cash inflows - CFMEU National Office	150,901	170,365
Cash inflows - General	14,964,630	16,385,536
Total cash inflows	<u>\$ 15,115,531</u>	<u>\$ 16,555,901</u>
Cash outflows - CFMEU National Office	(3,657,400)	(4,737,898)
Cash outflows - General	(11,882,911)	(11,856,875)
Total cash outflows	<u>(\$15,540,311)</u>	<u>(\$16,594,773)</u>

Notes to the financial statements for the year ended 30 June 2015

Note 12 -Contingent Liabilities

Mortuary Benefit

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 be approximately \$9,600,00. Any amount paid is at the discretion of the District Executive as per Rule 16 of the organisation.

Corporate Business Cards and Auto-Pay

The maximum exposure of the organisation for the usage of Commonwealth Bank Business Cards and the auto pay facility is \$750,000. This is secured by an undertaking in respect of the liquid assets of the organisation.

Legal Expenditure

Dalliston v BMA Alliance

The decision in the above legal matter has exposed the organisation to costs at a maximum of \$500,000. The decision was received post balance date, but pre sign-off of the GPFR

CFMEU v BMA Alliance

A decision in the above legal matter has exposed the organisation to costs at a maximum of \$40,000. The decision was received post balance date, but pre sign-off of the GPFR

Notes to the financial statements for the year ended 30 June 2015

	2015	2014
	\$	\$
Note 13 - Related Party Disclosures		
Note 13A - Related Party Transactions for the Reporting Period		

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

Revenue received from CFMEU National Office includes the following:

Union dues from members	2,741,891	2,751,318
Rental, outgoings and administration costs	116,552	163,634
National Assistance payments	1,564,027	1,803,746
Recoupment of wages for Central Councillors	-	6,731
Members support payments from NAF	-	20,300

Expenses paid to CFMEU National Office includes the following:

Union dues from members	2,741,891	2,751,318
National Assistance payments	1,557,608	1,821,798

Expenses paid to CFMEUQ includes the following:

Rental of property	89,367	83,384
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Expenses paid to CFMEU Committee members includes the following:

Reimbursements of lost wages	100,236	119,353
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Notes to the financial statements for the year ended 30 June 2015

	2015	2014
	\$	\$
Loans to related parties includes the following:		
Andrew Vickers - secured loan	55,622	55,852
Loan S Smyth	1,498	-
Loan M Hughes	400	5,700
Loan T Whyte	692	957
Loan S Brunner	-	2,536
Loan C Brodsky	-	107
Loan C Roth	5,457	3,943
Loan K King	2,000	-

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2015, CFMEU has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2014: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Loan provided to related parties is repayable as follows:

Andrew Vickers - upon termination of employment with CFMEU.

S Smyth – paid in full as at 30 November 2015

M Hughes – paid in full as at 31 July 2015

T Whyte – two years

C Roth – four years

K King – by 31 March 2016

Notes to the financial statements for the year ended 30 June 2015

	2015	2014
	\$	\$
13B - Key management personnel remunerations for reporting period		
Short term employee benefits		
Salary (including annual leave taken)	2,241,130	2,415,055
Annual leave accrued	459,795	616,795
Performance bonus	-	-
Total short term employee benefits	<u>2,700,925</u>	<u>3,031,850</u>
Post-employment benefits		
Superannuation	<u>218,485</u>	<u>219,501</u>
Total post-employment benefits	<u>218,485</u>	<u>219,501</u>
Other long term benefits		
Long service leave	-	<u>87,811</u>
Total other long term benefits	<u>-</u>	<u>87,811</u>
Termination benefits	-	1,388,695
Total key management personnel remuneration	<u>\$ 2,919,410</u>	<u>\$ 4,727,857</u>

13C - Transactions with key management personnel and their close family members

Loans to key management personnel

Loan S Smyth	1,498	0
Loan M Hughes	400	5,700
Loans T Whyte	692	957
	<u>\$ 2,590</u>	<u>\$ 6,657</u>

Loan provided to key management personnel is interest free and is repayable after one month to two years.

Note 14 - Auditors Remunerations

Auditing of Financial Reports	38,100	39,500
Other Services	<u>32,391</u>	<u>42,051</u>
	<u>\$ 70,491</u>	<u>\$ 81,551</u>

Notes to the financial statements for the year ended 30 June 2015

Note 15 - Financial Instruments

The CFMEU has minimal exposure to risk and manages risk by maintaining highly liquid assets, minimal borrowing and creditors and minimal debtors.

The significant portion of the CFMEU income is received on a periodical basis with short terms. Most income is received weekly therefore minimising credit risk.

The highest exposure of the CFMEU is to interest rate risk as a significant portion of assets are held in cash deposits. This risk is minimised by having funds in longer term deposits with agreed interest rates at the beginning of the investment term.

	Weighted Average		Floating interest rate		Non-Interest bearing	
	Effective Interest Rate		Variable		2015	2014
	2015	2014	2015	2014		
	%	%	\$	\$	\$	\$
<u>Financial assets</u>						
Cash at bank	1.7	2.8	456,182	211,564	-	-
Interest bearing deposits	3.4	3.5	13,025,316	13,695,895	-	-
Investments	-	-	-	-	-	-
Trade receivables	-	-	-	-	473,562	333,395
Loans - Members and associates	-	-	-	-	192,259	148,566
Total financial assets			\$13,481,498	\$13,907,459	\$ 665,821	\$ 481,961
<u>Financial liabilities</u>						
Trade payables	-	-	-	-	1,402,085	1,477,794
Rents payable - CFMEUQ	-	-	-	-	1,592,059	1,502,692
Employee entitlements	-	-	-	-	1,093,641	1,368,853
Total financial liabilities			\$ -	\$ -	\$4,087,785	\$4,349,339

Notes to the financial statements for the year ended 30 June 2015

Note 16 – Fair Work (Registered Organisations) Act 2009

a) Information to be provided to members

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of section 272, sub-sections (1), (2) and (3) of the Fair Work (Registered Organisations) Act 2009 which reads as follows:

- 1) A member of an organisation, or a General Manager of 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 on an application made under sub-section (1).

b) 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.



24 December 2015

Mr Tim Whyte
District Secretary
Construction, Forestry, Mining and Energy Union – Mining and Energy Division Queensland
District Branch
Level 2, 61 Bowen Street
SPRING HILL QLD 4004

Email: t.whyte@cfmeuqld.asn.au
avickers@cfmeu.co.au

Dear Mr Whyte

Request by Construction, Forestry, Mining and Energy Union Mining and Energy Division Queensland District Branch for extension of time to hold a general meeting to consider the financial report for the year ended 30 June 2015 (FR2015/88)

I acknowledge receipt on 24 December 2015 of a request for an extension of time until 31 January 2015 to hold a general meeting of members of the Construction, Forestry, Mining and Energy Union – Mining and Energy Division Queensland District Branch (the Branch) to consider the financial report for the year ended 30 June 2015. I have assumed this to be an application under s 265(5) of the *Fair Work (Registered Organisations) Act 2009* (the RO Act) which provides a power to the General Manager (or her delegate) to extend the period during which the meeting may be held by no more than one month.

Your letter advises the reason for the request is due to a misunderstanding of the requirements of section 266 of the RO Act. It appears from the records of the Fair Work Commission (FWC) that members were provided with a full report on 10 December 2015 however a committee of management meeting instead of general meeting of members was arranged to present the full report. The rules of the Organisation do not allow for this, therefore a general meeting of members is required.

As the delegate of the General Manager, I understand that there are complexities within the regulatory framework which sometimes lead to the types of 'misunderstanding' you refer to in your application. However, it is of particular concern that the FWC has previously and consistently raised non-compliance issues in relation to timescale requirements with the Branch. Some examples of these non-compliance issues are as follows:

- The full financial report for the year ended 30 June 2014 was not provided to members (signed copy of the Auditor's Statement not included).
- The full financial report for the year ended 30 June 2013 was not provided to members at least 21 days before the general meeting of members.
- The full financial report for the year ended 30 June 2012 was not provided to members at least 21 days before the general meeting of members.

The FWC considers compliance with the regulatory framework to be critical to the proper functioning of federally registered organisations and this demonstrable and apparently ongoing failure by the Branch to comply with the requirements of the RO Act is of increasing concern.

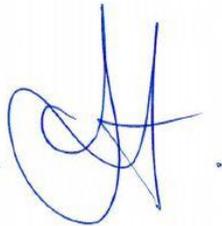
I have carefully considered whether the Branch's history of non-compliance warrants refusal of the application for an extension under s 265(5) of the RO Act. On the other hand, I have also taken into account the objects of the RO Act and in particular, the importance of members of the Branch having the opportunity to consider the financial report for the year ended 30 June 2015 enabling those members to fully participate in the democratic conduct of the Branch.

On balance, I have decided to grant the extension to ensure that members of the Branch have the opportunity to consider the financial report for the year ended 30 June 2015.

In all the circumstances, I allow an extension of time for a period of one month, until 31 January 2016, to hold a general meeting of members to consider the full report.

However, I urge the Branch as a matter of priority, to contact the FWC Financial Reporting Specialist, Ms Joanne Fenwick, in the New Year to arrange a meeting to discuss its obligations in relation to the financial reporting under the RO Act. It is my expectation that the Branch will outline the measures it proposes to implement to achieve a high level of voluntary compliance with all of its statutory obligations under the RO Act. Ms Fenwick can be contact by phone on 03) 8656 4681 or via email joanne.fenwick@fwc.gov.au.

Yours sincerely



Chris Enright
Delegate of the General Manager
Fair Work Commission



**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

24 December 2015

The General Manager
Fair Work Commission

E-mail: joanne.fenwick@fwc.gov.au

Dear Joanne,

RE: EXTENSION OF TIME APPLICATION

Please accept this letter for the General Managers consideration in granting an extension of time with regards to the reporting of the Construction, Forestry, Mining and Energy Union - Mining and Energy Division, Queensland end of year Financials.

This extension application is required due to a misunderstanding of the requirements of Section. 266 of the Act, in order for a meeting to be convened prior to the 31st January 2016 if the extension is granted.

Should you require further information please feel free to contact me on 0427 027 405.

Yours faithfully,

**Tim
Whyte**

Digitally signed by Tim Whyte
DN: cn=Tim Whyte, o=CFMEU,
ou=Secretary, email=t.
whyte@cfmeuqld.asn.au, c=AU
Date: 2015.12.24 11:16:22 +10'00'

TIM WHYTE
District Secretary

Blackwater	Dalby	Mackay	Moranbah	Rockhampton
45 Arthur Street Blackwater Qld 4717	Unit 10/66 Drayton Street Dalby Qld 4405	33 Milton Street Mackay Qld 4740	Cnr Mills Avenue & Bacon Street Moranbah Qld 4744	QCU Building, Office 8 110 Campbell Street Rockhampton Qld 4700
07 4982 5131 07 4982 6325	07 4669 7088 07 4662 4288	07 4957 2644 07 4951 3241	07 4941 7004 07 4941 5269	07 4922 7100 07 4922 7105



8 December 2015

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

Dear Mr Whyte,

Lodgement of Financial Report - Reminder to lodge on or before 15 January 2015

The Fair Work Commission's (the FWC) records disclose that the financial year of the Construction, Forestry, Mining and Energy Union-Mining and Energy Division Queensland District Branch (the reporting unit) ended on the 30 June 2015.

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

The maximum period of time allowed under the RO Act for the completion of the financial reporting process is six months and 14 days after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). For your reporting unit that requires lodgement of its financial report on or before **15 January 2015, and in any event no later than 14 days after the relevant meeting.**

The FWC encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$51,000 per contravention on the organisation and up to \$10,200 per contravention on the individual officer.

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

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

Yours sincerely,

Sam Gallichio
Adviser
Regulatory Compliance Branch