



8 April 2015

Mr Michael Ravbar
Secretary, Queensland Northern Territory Divisional Branch
Construction and General Division
Construction, Forestry, Mining and Energy Union

Sent to: queries@qld.cfmeu.asn.au

Dear Mr Ravbar

Re: Lodgement of Financial Accounts and Statements – Construction, Forestry, Mining and Energy Union, Construction and General Division, Queensland Northern Territory Divisional Branch - for year ending 31 December 2013 (FR2013/416)

I refer to the financial report for the Queensland Northern Territory Divisional Branch for the year ended 31 December 2013, which was lodged with the Fair Work Commission (FWC) on 2 July 2014. The financial report was the subject of consideration in the context of historical arrangements where the Branch's financial affairs and relationship with its state counterpart union were concerned. Your letter providing undertakings with respect to the preparation of the next report, i.e. for the year ended 31 December 2014, was received today.

The financial report has been filed. You are not required to take any further action in respect of the report lodged, but I make the following comments to assist when you prepare the next financial report. The Fair Work Commission will confirm these matters have been complied with prior to filing next year's report.

Disclosure of employee provisions

The employee provisions note to the financial statements at Note 16 has disclosed annual leave and long service leave separately for office holders and employees, but does not separately disclose 'separation and redundancies' and 'other employee' provisions.

The Reporting Guidelines require that all employee and office holder provisions be detailed separately (refer to items 20(c) and 20(d)).

Please note that Reporting Guideline 21 states that if any activities identified in item 20 have not occurred in the reporting period, a statement to this effect¹ must be included in the GPFR.

Key management personnel

Australian Accounting Standard *AASB 124 Related Party Disclosures* paragraph 17 requires the General Purpose Financial Report to disclose within the statements or the notes compensation paid to key management personnel.²

¹ Or an itemised nil balance (cf. Model Statements at <https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>)

² Note that this is a separate requirement from the requirement of the Reporting Guidelines to disclose employee benefits by office-holder and by employees because the categories balances may differ.

This normally includes a listing of the key management personnel for the organisation, the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post employment benefits
- Other long term employee benefits
- Termination benefits
- Any share based payments.

The definition for these categories can be found within accounting standard *AASB 119: Employee Benefits*.

Period of Membership of Committee of Management

Regulation 159(c) of the RO Regulations requires the Operating Report to disclose the period each listed officer served on the Committee of Management during the reporting period. The Operating report lists the names of the members of the Committee of Management “at any time during the financial year”, which is imprecise. To satisfy the regulation³, the following wording could be included ‘*All members held their position for the entire year unless indicated otherwise*’.

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](#).

Should you require information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or by email at stephen.kellett@fwc.gov.au.

Yours sincerely



Stephen Kellett
Senior Adviser, Regulatory Compliance Branch
Fair Work Commission

³ i.e. where it is intended to indicate that the whole financial year was the period. Any period less than the full financial year must be indicated for the relevant member of the committee.

27 June 2014

Mr Stephen Kellett
Statutory Services Branch
Fair Work Commission
Level 10 Terrace Tower
80 William Street
East Sydney NSW 2011



Dear Mr Kellett,

**Lodgement of Financial Statements and Accounts –
Construction, Forestry, Mining and Energy Union, Construction and General
Division, Queensland Northern Territory Divisional Branch – For year ended 31 December 2013**

Please find enclosed a copy of our Audited Accounts for the year ended 31st December, 2013 together with a list of donations in excess of \$1,000.

With best wishes

Yours sincerely

Michael Ravbar
Divisional Branch Secretary,
Construction, Forestry, Mining and Energy Union
Construction & General Division
Queensland Northern Territory Divisional Branch

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CFMEU

CONSTRUCTION



**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

Financial Statements

For the year ended 31 December 2013

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Construction, Forestry, Mining and Energy Union
Construction and General Division
Queensland Northern Territory Divisional Branch
Income Statement for the year ended 31 December 2013

	Note	2013 \$	2012 \$
REVENUE			
Membership subscriptions		2,073,909	200,833
Compulsory levy - Defence Fund		298,953	10,148
Voluntary Levy - Tool Scheme		16,500	-
Voluntary collections - ARDSSQ donations		18,550	-
Grants Apprentice Scheme		1,215,066	-
Grants Other		165,000	-
Capitation fees		-	-
Donations		-	-
Interest		7,440	-
Sundry income and reimbursement	3	1,365,553	-
Gain on disposal of property, plant & equipment		-	-
Revenue from other reoporting units of the organisation		-	-
Total revenue		5,160,971	210,981
EXPENDITURE			
Affiliation fees	4	33,952	-
Auditors remuneration - Audit services		15,000	-
Capitation fees	5	343,199	21,866
Compulsory levy		-	-
Voluntary collections		18,550	-
Consideration to employers for payroll deductions		1,883	-
Donations		6,250	-
Grants Apprentice Scheme		1,215,066	-
Legal fees	6	578,334	-
Meeting and conference costs	7	9,504	-
Meeting and conference attendance fees		3,550	-
Penalties	8	115,833	-
Impairment of property, plant & equipment	9	15,054	-
Officers and employee expenses	10	2,118,867	-
Other	11	1,002,023	189,115
Loss on disposal of property, plant & equipment		-	-
Total expenses		5,477,065	210,981
Surplus before income tax		(316,094)	-
Income tax expense	2	-	-
Surplus for the year		(316,094)	-
Other comprehensive income:			
Transfer Defence Fund from CFMEUQ		1,863,122	-
Total comprehensive surplus attributable to the Union		1,547,028	-

The accompanying notes form part of these financial statements.

Construction, Forestry, Mining and Energy Union
Construction and General Division
Queensland Northern Territory Divisional Branch
Balance Sheet as at 31 December 2013

	Note	2013 \$	2012 \$
<i>Current assets</i>			
Cash and cash equivalents	12	884,228	-
Receivables	13	1,154,036	-
Prepayments		167,665	-
Total current assets		2,205,929	-
<i>Non-current assets</i>			
Property, plant and equipment	14	250,101	-
Receivables	13	5,907,134	-
Total non-current assets		6,157,235	-
Total assets		8,363,164	-
<i>Current liabilities</i>			
Trade and other payables	15	561,410	-
Short-term provisions	16	634,370	-
Revenue in advance	17	3,864,386	-
Total current liabilities		5,060,166	-
<i>Non-current liabilities</i>			
Long-term provisions	16	710,365	-
Revenue in advance	17	1,045,605	-
Total non-current liabilities		1,755,970	-
Total liabilities		6,816,136	-
Net assets		1,547,028	-
<i>Equity</i>			
Retained earnings		1,547,028	-
Total equity		1,547,028	-

The accompanying notes form part of these financial statements.

Construction, Forestry, Mining and Energy Union
Construction and General Division
Queensland Northern Territory Divisional Branch
Statement of Changes in Equity for the year ended 31 December 2013

	Note	Retained earnings		
		General Fund \$	Compulsory Levy Defence Fund \$	Total \$
Balance at 1 January 2012		-	-	-
Surplus attributable to the Union		-	-	-
Other comprehensive income for the year		-	-	-
Balance at 31 December 2012		-	-	-
Surplus/deficit attributable to the Union		(604,599)	288,505	(316,094)
Other comprehensive income for the year				
Tfr from CFMEUQ		-	1,863,122	1,863,122
Balance at 31 December 2013	18	(604,599)	2,151,627	1,547,028

The accompanying notes form part of these financial statements.

Construction, Forestry, Mining and Energy Union
Construction and General Division
Queensland Northern Territory Divisional Branch
Cash Flow Statement for the year ended 31 December 2013

	Note	2013 \$	2012 \$
<i>Cash flows from operating activities</i>			
Receipts from members		4,545,274	-
Grant receipts		1,233,926	-
Advertising Receipts		35,621	-
Interest received		5,889	-
Wage claim receipts		-	-
Other sundry receipts		175,143	-
Receipts from other reporting units			
CFMEUQ		342,363	-
CFMEU C&G National Office		5,933	-
CFMEU C&G BLF		357,443	-
CFMEU C&G NSW		50	-
CFMEU C&G Vic		100	-
CFMEU C&G WA		2,328	-
CFMEU FFPD SA		50	-
CFMEU M&E NSW		5	-
Payments to other suppliers and employees		(5,091,014)	-
Wage claim payments		-	-
Payments to other reporting units			
CFMEU National Office		(110,000)	-
CFMEU C&G National Office		(321,891)	-
CFMEU C&G BLF		(15,784)	-
CFMEU C&G NSW		(4,000)	-
CFMEU FFPD National Office		(5,232)	-
CFMEU M&E QLD		(2,283)	-
Net cash provided by operating activities	19	1,153,921	-
<i>Cash flow from investing activities</i>			
Purchase of fixed assets		(269,693)	-
Net cash provided (used) by investing activities		(269,693)	-
Net increase (decrease) in cash held		884,228	-
Cash at the beginning of the year		-	-
Cash at the end of the year	12	884,228	-

The accompanying notes form part of these financial statements.

Construction, Forestry, Mining and Energy Union**Construction and General Division****Queensland Northern Territory Divisional Branch***Recovery of Wages Activity Report for the year ended 31 December 2013*

	No of Note Workers	2013 \$	No of Workers	2012 \$
Cash assets in respect of recovered money at the beginning of the year		-		-
Receipts				
Amounts recovered from employers in respect of wages etc		-		-
Interest received on recovered money		-		-
Nett bank charges reimbursed from general account		-		-
Total receipts		-		-
Payments				
Undistributed monies returned to employers		-		-
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:				
Other entities:				
BERT		-		-
BEWT		-		-
BUSSQ		-		-
Cbus		-		-
CIPQ		-		-
Deductions of fees or reimbursement of expenses		-		-
Payments to workers in respect of recovered money		-		-
Bank charges		-		-
Total payments		-		-
Cash assets in respect of recovered money at the end of the year		-		-
Amounts recovered but not yet paid to workers				

The accompanying notes form part of these financial statements.

Construction, Forestry, Mining and Energy Union
Construction and General Division
Queensland Northern Territory Divisional Branch

Notes to the Financial Statements for the year ended 31 December 2013

Note 1: 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 which reads as follows:

- (1) A member of a reporting unit, or the General Manager of Fair Work Australia, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

Note 2: Summary of significant accounting policies

The financial statements cover the Construction, Forestry, Mining and Energy Union, Construction and General Division, Queensland Northern Territory Divisional Branch as an individual reporting unit.

Basis of Preparation

The financial statements are general purpose financial statements that 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 Organisations) Act 2009.

For the purpose of preparing the general purpose financial statements, the Union is a not-for-profit entity.

The financial statements, except for the cash flow information, have been prepared on an accruals basis. The financial statements have been prepared in accordance with historical cost, 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 in the results or the financial position. The financial statements are presented in Australian dollars.

Changes in Accounting Policies

Comparative figures:

The CFMEU was restructured during the year incorporating a reorganisation of branches and rule changes including membership rule changes.

As a consequence of the restructure, the comparative figures for 2012 have been restated to reflect the new structure.

The 2012 figures that were shown in the financial statements for year ended 31 December 2012 are now shown in the financial statements of the CFMEUQ.

Construction, Forestry, Mining and Energy Union

Construction and General Division

Queensland Northern Territory Divisional Branch

Notes to the Financial Statements for the year ended 31 December 2013

Note 2: Statement of significant accounting policies (contd)

Changes in Accounting Policies (contd)

Revenue and receivables:

The Union has changed accounting policies for year ended 31 December 2013 in relation to accounting for membership income. Membership income is now accounted for on an accruals basis whereas in previous years it was accounted for on a cash basis.

Legally enforceable unpaid membership subscriptions are recognised in the financial statements as Trade Receivable and a Provision for Doubtful Debts is also recognised.

Membership subscriptions received relating to a dues period beyond the year end date are recognised as revenue in advance.

The comparative figures for year ended 31 December 2012 have not been restated due to the membership income reporting system not being able to produce the required retrospective information for the year ended 31 December 2012.

The financial effect from the change of accounting policy for the year ended 31 December 2013

<i>Recognising revenue in advance:</i>	\$
Decrease to membership subscriptions revenue	1,932,665
Decrease to compulsory levy income (fighting fund)	-
<i>Recognising trade receivables for membership income</i>	\$
Increase to membership subscriptions income	208,510
Increase to compulsory levy income (fighting fund)	-

Accounting Policies

(a) Income tax

No provision for income tax is necessary as trade unions are exempt from income tax under Section 50-15 of the *Income Tax Assessment Act 1997*.

(b) 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.

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

(c) Property, Plant and Equipment

Property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Land and buildings are shown at their fair value less subsequent depreciation for buildings. Investment properties are not depreciated.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Union's management to ensure it is not in excess of the recoverable amount from those assets.

Construction, Forestry, Mining and Energy Union
Construction and General Division
Queensland Northern Territory Divisional Branch

Notes to the Financial Statements for the year ended 31 December 2013

Note 2: Statement of significant accounting policies (contd)

(c) Property, Plant and Equipment (contd)

Depreciation and amortisation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the Union commencing from the time the assets is held ready for use. Motor vehicles are depreciated on a diminishing value basis.

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

<i>Fixed asset</i>	<i>Rate</i>
Buildings	4%
Motor vehicles	25%
Air conditioning plant	10.0%
Computer equipment	20%
Office equipment	20%
Office furniture	12.5%

(d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Union, are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased asset or the present value of the minimum lease payments, including any guaranteed residual values.

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(e) Financial Instruments

Initial recognition and measurement

Financial instruments are initially measured at fair value on trade date, which includes transaction costs, when related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Classification and subsequent measurement:

Financial Assets at fair value

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or is so designated by management and within the requirements of *AASB139: Recognition and Measurement of Financial Instruments*. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Construction, Forestry, Mining and Energy Union
Construction and General Division
Queensland Northern Territory Divisional Branch

Notes to the Financial Statements for the year ended 31 December 2013

Note 2: Statement of significant accounting policies (contd)

(e) Financial Instruments (contd)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held to maturity investments

These investments have fixed maturities, and it is the Union's intention to hold these investments to maturity. Any held to maturity investments held by the Union are stated at amortised cost using the effective interest rate method.

Available for sale financial assets

Available for sale financial assets include any financial assets not included in the above categories. Available for sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value other than impairment losses are recognised as other comprehensive income and transferred to reserves in equity. When the financial asset is derecognised, the cumulative gain or loss previously recognised is reclassified into profit or loss.

Financial liabilities

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

Fair value

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

Impairment

At each reporting date, the Union assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

(f) Impairment of Assets

At each reporting date, the Union reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and its depreciated replacement value, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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 includes the reporting unit's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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 uncollectable, it is written off against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Construction, Forestry, Mining and Energy Union
Construction and General Division
Queensland Northern Territory Divisional Branch

Notes to the Financial Statements for the year ended 31 December 2013

Note 2: Statement of significant accounting policies (contd)

(g) Employee benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(h) Provisions

Provisions are recognised when the Union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(i) Cash and Cash Equivalents

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

(j) Goods and services tax (GST)

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

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

(k) Comparative Figures

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

(l) Key accounting estimates and judgements

The Union evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data.

Key estimates - Impairment

The Union assesses impairment at each reporting date by evaluating conditions specific to the Union that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Construction, Forestry, Mining and Energy Union**Construction and General Division****Queensland Northern Territory Divisional Branch***Notes to the Financial Statements for the year ended 31 December 2013*

	2013 S	2012 S
Note 3: Sundry income and reimbursement		
Apprentice Scheme administration recovery	629,742	-
Promotional charges	360,110	-
Compliance recoveries	142,286	-
Sundry income and reimbursements	233,415	-
	<hr/> 1,365,553	<hr/> -
Note 4: Affiliation fees		
Political affiliation	-	-
Other affiliation - QCU	31,718	-
NT Trades & Labour Council	2,234	-
	<hr/> 33,952	<hr/> -
Note 5: Capitation fees		
CFMEU C&G National Office affiliation	333,848	11,591
CFMEU FFPD National Office affiliation	9,351	10,275
	<hr/> 343,199	<hr/> 21,866
Note 6: Legal fees		
Litigation	545,347	-
Other	32,987	-
	<hr/> 578,334	<hr/> -
Note 7: Meeting and conference costs		
Convention expenses	-	-
SMC & state executive expenses	2,442	-
Sub-branch expenses	3,492	-
Other meeting expenses	3,570	-
	<hr/> 9,504	<hr/> -
Note 8: Penalties		
RO Act and Regulations penalties	115,833	-
Other penalties	-	-
	<hr/> 115,833	<hr/> -
Note 9: Impairment of property, plant & equipment		
Motor vehicles depreciation	14,279	-
Plant and equipment depreciation	775	-
	<hr/> 15,054	<hr/> -

Construction, Forestry, Mining and Energy Union
Construction and General Division
Queensland Northern Territory Divisional Branch

Notes to the Financial Statements for the year ended 31 December 2013

	2013 \$	2012 \$
Note 10: Officers and employee expenses		
 Holders of Office:		
Wages & salaries	216,206	-
Superannuation	31,419	-
Redundancy Fund	6,640	-
Leave and other entitlements	6,351	-
Other employee expenses off	1,555	-
	262,171	-
 Employees other than office holders:		
Wages & Salaries	1,458,371	-
Superannuation	243,907	-
Redundancy Fund	53,788	-
Leave and other entitlements	86,042	-
Other employee expenses	14,588	-
	1,856,696	-
	2,118,867	-
Note 11: Other operating costs		
Administration fee paid to CFMEUQ	160,030	189,115
Administration expenditure	25,211	-
Advertising & marketing	115,512	-
Aged auxiliary	11,004	-
Computer expenses	3,042	-
Communications	56,182	-
Conference expenses	4,655	-
External agencies	2,679	-
International delegates	123	-
Publication Expenses	33,896	-
Motor vehicle expenses	142,306	-
Organising expenses	200,787	-
Postage	36,787	-
Printing and stationery	23,396	-
Property Expenses	3,073	-
Subscriptions	6,352	-
Training	1,660	-
Payroll Tax	108,274	-
Fringe Benefits Tax	52,994	-
Workers Compensation	14,060	-
	1,002,023	189,115

Construction, Forestry, Mining and Energy Union
Construction and General Division
Queensland Northern Territory Divisional Branch

Notes to the Financial Statements for the year ended 31 December 2013

	2013 \$	2012 \$
Note 12: Cash and cash equivalents		
Petty cash on hand	4,300	-
Main account	255,935	-
Business Internet Saver account	623,993	-
	884,228	-
Note 13: Receivables		
<i>Current</i>		
Interest receivable	1,551	-
Other receivables	1,481,376	-
Receivables from other reporting units		
BLF	18,717	-
CFMEU C&G National office	1,919	-
CFMEU C&G WA	2,289	-
	1,505,852	-
Less: Provision for impairment of receivables	(351,816)	-
Total current receivables	1,154,036	-
<i>Non-current</i>		
Receivables from other reporting units		
CFMEUQ	5,907,134	-
Total non-current receivables	5,907,134	-
Total Receivables	7,061,170	-
Note 14: Property, Plant and Equipment		
Motor vehicles - at cost	255,291	-
Less: accumulated depreciation mv	(18,817)	-
	236,474	-
Plant and equipment - at cost	14,402	-
Less: accumulated depreciation pne	(775)	-
	13,627	-
	250,101	-

Construction, Forestry, Mining and Energy Union
Construction and General Division
Queensland Northern Territory Divisional Branch

Notes to the Financial Statements for the year ended 31 December 2013

Note 14: Property, Plant and Equipment (contd)

Movements in carrying amounts	Motor vehicles \$	Plant and equipment \$	Total \$
Balance at beginning of year	-	-	-
Additions	255,291	14,402	269,693
Disposals (WDV)	-	-	-
Depreciation expense - Note 9	(14,279)	(775)	(15,054)
Depreciation - Apprentice Scheme	(4,538)	-	(4,538)
Carrying amount at end of year	236,474	13,627	250,101
		2013	2012
		\$	\$

Note 15: Trade and other payables

Trade payables and accruals	458,441	
Payable to other reporting units		
CFMEU C&G National Office	63,368	-
CFMEU FFPD National Office	1,380	-
Legal costs	-	-
Voluntary collections - ARDSSQ	38,221	-
Consideration to employers for payroll deductions	-	-
Total classified as financial liabilities at amortised cost	561,410	-

Note 16: Provisions

Employee entitlements:

Opening Balance at 1 January		-
Staff transferred in	1,226,753	-
Additional provisions raised during year		
General fund	92,393	-
Apprentice Scheme	25,589	-
Amounts used	-	-
Balance at 31 December	1,344,735	-

Construction, Forestry, Mining and Energy Union
Construction and General Division
Queensland Northern Territory Divisional Branch

Notes to the Financial Statements for the year ended 31 December 2013

	2013 \$	2012 \$
Note 16: Provisions (contd)		
<i>Analysis of employee entitlements:</i>		
Current	634,370	-
Non-current	710,365	-
	1,344,735	-
 Holders of office:		
Annual leave	57,312	-
Long service leave	188,357	-
	245,669	-
 Employees other than holders of office:		
Annual leave	499,842	-
Long service leave	599,224	-
	1,099,066	-
Total Officers and Employee Entitlements Provision	1,344,735	-
<p>In calculating the present value of future cash flows in respect of the long service leave provision, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in note 2.</p>		
Note 17: Revenue in advance		
<i>Current</i>		
Apprentice Scheme Funding	1,868,321	-
Other revenue in advance	1,996,065	-
	3,864,386	-
<i>Non-Current</i>		
Apprentice Scheme Funding NC	1,045,605	-
	1,045,605	-
Total revenue in Advance	4,909,991	-

Construction, Forestry, Mining and Energy Union**Construction and General Division****Queensland Northern Territory Divisional Branch***Notes to the Financial Statements for the year ended 31 December 2013*

	2013 \$	2012 \$
Note 18: Retained earnings		
General Fund		
Opening balance at start of year	-	-
Transferred to fund	-	-
Transferred out of fund	(604,599)	-
	<hr/>	
Closing balance at end of year	(604,599)	-
	<hr/>	
Defence Fund		
Opening balance at start of year	-	-
Transferred to fund	2,151,627	-
Transferred out of fund	-	-
	<hr/>	
Closing balance at end of year	2,151,627	-
	<hr/>	
The Defence Fund is being maintained to provide the additional resources needed to defend our members against continuing attacks from employers and Federal Government agencies.		
<i>The funds are invested as follows:</i>		
Cash and short term investments	2,151,627	-
	<hr/>	
	2,151,627	-
	<hr/>	

Note 19: Cash flow information**(a) Reconciliation of cash flow from operations with surplus after income tax**

Surplus from ordinary activities after income tax	(316,094)	-
<i>Non-cash flows in ordinary activities</i>		
Depreciation expense - Note 9	15,054	-
Depreciation - Apprentice Scheme	4,538	-
<i>Changes in assets and liabilities</i>		
(Increase) decrease in receivables	(739,434)	-
(Increase) decrease in prepayments	(167,665)	-
Increase (decrease) in payables	501,790	-
Increase (decrease) in revenue in advance	1,737,750	-
Increase (decrease) in provisions	117,982	-
	<hr/>	
	1,153,921	-
	<hr/>	

(b) There were no non-cash financing or investment activities during the year.

(c) The union has no credit stand-by arrangement or loan facilities.

Note 20: Capital and Lease Commitments

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

Capital expenditure commitments contracted for:

-	-
<hr/>	
-	-
<hr/>	

Construction, Forestry, Mining and Energy Union**Construction and General Division****Queensland Northern Territory Divisional Branch**

Notes to the Financial Statements for the year ended 31 December 2013

Note 21: Contingent Liabilities

There are continually numerous ongoing unsettled legal actions against the Union regarding industrial relations matters.

If at year end, a judgement has been awarded against the union and the amount is unpaid, the Union accrues an expense for estimated costs and penalties in relation to the matter.

No provision is made for any settlement costs or penalties for ongoing matters as the Union intends to defend the claims

Note 22: Events after the Reporting date

The Union is not aware of any significant events since the end of the reporting period.

Note 23: Financial Risk Management

The Union's financial instruments are listed below.

	2013	2012
	\$	\$
Financial assets		
Cash and bank	884,228	-
Term deposits	-	-
Other financial investments	-	-
	<hr/>	<hr/>
	884,228	-
	<hr/>	<hr/>
Financial liabilities	Nil	Nil
	<hr/>	<hr/>

The Union's exposure to interest rate risk is the risk that a financial instrument's value may fluctuate as a result of changes in market interest rates.

Net Fair Values

(i) For listed available-for sale financial assets and financial assets at fair value through profit or loss the fair values have been based on closing quoted bid prices at the end of the reporting period.

In determining the fair values of the unlisted available-for-sale financial assets, the union uses inputs that are observable either directly (as prices) or indirectly (derived from prices).

(ii) Fair values of held-to-maturity investments are based on quoted market prices at the end of the reporting period.

Note 24: Financial Support received from another reporting unit

The Union is not reliant on the agreed financial support of another reporting unit to continue as a going concern.

Note 25: Financial Support given to another reporting unit

The Union has not agreed to provide financial support to another reporting unit.

Construction, Forestry, Mining and Energy Union**Construction and General Division****Queensland Northern Territory Divisional Branch***Notes to the Financial Statements for the year ended 31 December 2013*

Note 26: Acquisition of assets/liabilities from a business combination

The Union has not acquired an asset or liability as part of a business combination.

Note 27: Acquisition of assets/liabilities from an amalgamation/restructure

The Union has acquired an asset or liability from an amalgamation, restructure, determination or revocation by the General Manager of the Fair Work Commission.

<u>asset/liability</u>	<u>Name of entity</u>	<u>date acquired</u>	<u>Description</u>	<u>Amount \$</u>
Debtor - CFMEUQ	CFMEUQ	1/07/2013	Funds to be transferred	6,249,201
Debtors	CFMEUQ	1/07/2013	Miscellaneous	72,535
Creditors & accruals	CFMEUQ	1/07/2013	Miscellaneous	(59,620)
Revenue in Advance	CFMEUQ	1/07/2013	Grants	(3,172,241)
Provisions	CFMEUQ	1/07/2013	Employee entitlements	(1,226,753)
Defence Fund	CFMEUQ	1/07/2013	Compulsory levy	(1,863,122)
				-

Note 28: Payments to former related parties

Payments to former related parties where the liability for the payment was incurred during the period in which a related party relationship existed are detailed as follows:

<u>Name of Former Party</u>	<u>Details of Payment</u>	<u>Amount \$</u>
Nil	Nil	-

Note 29: Administration of financial affairs by a third party

The Union's financial affairs were administered by the Construction, Forestry, Mining and Energy, Industrial Union of Employees, Queensland.

Under this informal arrangement membership subscriptions were collected and all affiliation fees paid on the Union's behalf with any surplus funds paid to the CFMEUQ as an administrative fee. This arrangement ceased effective 1 July 2013.

Detailed breakdown of revenue and expenses	2013 \$	2012 \$
Revenue		
Membership subscriptions	166,792	200,833
Compulsory levy - Defence Fund	10,448	10,148
	177,240	210,981
Expenses		
CFMEU C&G National Office affiliation	12,989	11,591
CFMEU FFPD National Office affiliation	4,221	10,275
Administration fee paid to CFMEUQ	160,030	189,115
	177,240	210,981

Note 30: Union details

The principal place of business of the Union is:

Construction, Forestry, Mining and Energy Union, Construction and General Division,
Queensland Northern Territory Divisional Branch
16 Campbell Street, Bowen Hills Qld 4006

Construction, Forestry, Mining and Energy Union
Construction and General Division
Queensland Northern Territory Divisional Branch

Committee of Management Statement for the year ended 31 December 2013

Fair Work (Registered Organisations) Act 2009

In accordance with a resolution passed by the Committee of Management of the Construction, Forestry, Mining and Energy Union, Construction and General Division, Queensland Northern Territory Divisional Branch on 9 May 2014 the Committee declares that in their opinion:

- (a) The financial statements and notes comply with 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 general purpose financial report relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act, that information has been provided to the member or General Manager; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Fair Work Commission under section 273.
- (f) In relation to recovery of wages activity:
 - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
 - (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
 - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

Signed on behalf of the Committee of Management by:


Michael John Ravbar
Divisional Branch Secretary

Date: 9 May 2014

Construction, Forestry, Mining and Energy Union
Construction and General Division
Queensland Northern Territory Divisional Branch

Construction, Forestry, Mining and Energy Union
Construction and General Division
Queensland Northern Territory Divisional Branch
Independent Audit Report to the members

Report on the Financial Report

We have audited the accompanying financial report of the Construction, Forestry, Mining and Energy Union, Construction and General Division, Queensland Northern Territory Divisional Branch which comprises the balance sheet as at 31 December 2013, income statement, statement of changes in equity, cash flow statement, recovery of wages activity report for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Committee of Management Statement.

Committee of Management's responsibility for the Financial Report

The committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Construction, Forestry, Mining and Energy Union
Construction and General Division
Queensland Northern Territory Divisional Branch
Independent Audit Report to the members (contd)

Auditor's opinion

In our opinion, the financial report:

- (a) presents fairly in all material respects in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 including the Reporting Guidelines and Part 3 of Chapter 8 of the Act, the financial position of the Construction, Forestry, Mining and Energy Union, Construction and General Division, Queensland Northern Territory Divisional Branch as at 31 December 2013 and its financial performance and its cash flows for the year then ended; and
- (b) reports properly and fairly:
 - (1) any fees charged to or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
 - (2) any donations or other contributions deducted from recovered money.

We have concluded that management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Auditor's statement

We declare that the auditor is an approved auditor, a member of CPA Australia and a holder of a current Public Practice Certificate.



Michael Rice
Michael Rice & Associates

Brisbane

Date:.....

19/5/14

Construction, Forestry, Mining and Energy Union

Construction and General Division

Queensland Northern Territory Divisional Branch

Certificate by State Secretary for the year ended 31 December 2013

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 Section 268(c), I, Michael John Ravbar, certify that the attached copies of reports are copies of documents that were provided to members on 23 May, 2014 and presented to a meeting of the Committee of Management on 27 June, 2014 in accordance with Section 266 of the Fair Work (Registered Organisations) Act 2009.



.....
Michael John Ravbar

Divisional Branch Secretary

Construction and General Division

Queensland Northern Territory Divisional Branch

Date: *27 JUNE 2014*

Construction, Forestry, Mining and Energy Union
Construction and General Division
Queensland Northern Territory Divisional Branch
Operating Report for the year ended 31 December 2013

The Committee of Management presents the Operating Report for the financial year ended 31 December 2013:

Principal Activities

The principal activities of the Union during the year were:

- Implementation of the decisions of the Divisional Branch Executive, Divisional Branch Management Committee and resolutions of the State Delegates' convention.
- The development and implementation of Union policy through effective communications with members at the workplace.
- The administration of State awards, the variation of awards following major test cases (ie State wage case) and making other variations to awards for other industrial matters.
- Industrial support including representation of members grievances and/or advice at their workplaces and/or through the various industrial tribunals (ie Industrial Relations Commission, Workers Compensation etc).
- Ongoing communication to members and the broader community through meetings, rallies, media releases, journals and flyers.
- Growing the organisation through good on the job organisation and strong links between the organisers and members.

The results of those activities were ongoing in providing effective leadership to officers, organisers, delegates and membership in the development, advancement and delivery of policy through a delegation of responsibilities and effective communication strategies in the areas of organising, policy/administration, and Industrial Relations/ Training/Workcover.

There were no significant changes to the nature of those activities during the year.

Financial Affairs

There were no significant changes to the Union's financial affairs during the year.

Members' Rights

Members have the right to resign from the Union in accordance with section 174 of the Fair Work (Registered Organisations) Act 2009.

Superannuation Fund Trustees

The officers and employees listed below are trustees, or directors of a trustee company, of a Superannuation Fund as a consequence of their position with the Union:

<u>Name</u>	<u>Position</u>	<u>Super Fund</u>
Jade Ingham	Alternate Director	Buss(Q)

Construction, Forestry, Mining and Energy Union**Construction and General Division****Queensland Northern Territory Divisional Branch***Operating Report for the year ended 31 December 2013 (contd)*

Company Directors/Board Members

The officers and employees listed below are company directors or board members as a consequence of their position with the Union.

<u>Name</u>	<u>Company/Board</u>	<u>Principal Activities</u>
BERT	Michael Ravbar	Redundancy Fund
BERT	Peter Close	Redundancy Fund
BERT Training Fund	Peter Close	Training Fund
BERT Training Fund	Robert Cameron	Training Fund
BIGA Training	Robert Cameron	Training Organisation
BEWT	Michael Ravbar	Welfare Fund
BERT Welfare Fund	Michael Ravbar	Welfare Fund
CIPQ	Michael Ravbar	Income Protection Scheme
CIPQ	Peter Close	Income Protection Scheme
Construction Training Centre	Michael Ravbar	Training Organisation
Mates in Construction	Michael Ravbar	Suicide prevention
NTBuild	Michael Huddy	Portable long service scheme
Workplace Health & Safety Board	Jade Ingham	Safe workplaces

Number of Members

The number of members at the end of the financial year recorded in the register of members and taken to be members of the Union was 13,288

Number of Employees

The number of full-time equivalent employees of the Union at the end of the financial year was 38.4.

Committee of Management

The members of the Committee of Management at any time during the financial year were as follows:

- Paul Barber
- Andrew Clark
- Peter Close
- John Cummins
- Bradley Daniel
- Marcus Dittman
- Anthony Dougherty
- Steven Gaske
- Dallas Hunter
- Jade Ingham
- Ian McKewin
- Keith Murphy
- John O'Hara
- Michael Ravbar
- Wayne Scobie
- Thomas Smith

Signed on behalf of the Committee of Management by:



.....
Michael John Ravbar

Divisional Branch Secretary

Construction, Forestry, Mining and Energy Union

Construction and General Division

Queensland Northern Territory Divisional Branch



28 February 2014

Mr Michael Ravbar
Branch Secretary
Construction, Forestry, Mining and Energy Union-Construction and General Division, Queensland
Construction Workers Divisional Branch

Sent by email: queries@qld.cfmeu.asn.au

Dear Mr Ravbar,

**Re: Lodgement of Financial Report - [FR2013/416]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

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

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date, namely 15 July 2014 (being the expiry date of 6 months and 14 days from the end of the financial year), under s.268 of the RO Act.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Additionally, the General Manager's updated Reporting Guidelines, that apply to all financial reports prepared on or after 30 June 2013, are also available on the website together with slides relating to our financial Reporting Guidelines Webinar.

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

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

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at robert.pfeiffer@fwc.gov.au.

Yours sincerely,

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /	As soon as practicable after end of financial year
(b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	/ /	
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	<p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.