



FAIR WORK  
COMMISSION

12 August 2015

Mr Michael Ravbar  
Secretary, Queensland Northern Territory Divisional Branch  
Construction & General Division  
Construction, Forestry, Mining and Energy Union  
16 Campbell Street  
BOWEN HILLS QLD 4006

sent to: [queries@qld.cfmeu.asn.au](mailto:queries@qld.cfmeu.asn.au)

Dear Mr Ravbar

**Re: 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 2014 (FR2014/382)**

I acknowledge receipt of the above financial report. The report was lodged with the Fair Work Commission on 30 June 2015. I also acknowledge receipt of supplementary information today in relation to the various issues identified following the email I sent dated 3 August 2015 and to which you have referred.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged. I make the following comment however to be complied with when preparing next year's report.

Timescale requirements

Reports must be provided to Members within 5 months of end of financial year where report is presented to committee of management meeting

The Designated Officer's Certificate stated that the financial report was provided to members on 24 June 2015, and had been presented, for the purposes of section 266, to the Committee of Management meeting on 17 June 2015. Under section 265(5)(b) of the RO Act, where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of the end of the financial year.

The request for an extension of time made on 25 June 2015 appeared to reflect a misunderstanding of the timeframe for provision of reports to members where presentation, for the purposes of section 266, was made to a committee of management.<sup>1</sup> At any rate, although the financial report was lodged, on the basis of it having been presented following the meeting on 17 June, within the 14 day time frame ordinarily prescribed by section 268, the requirement to provide the report to members by 31 May 2015 was not complied with, and indeed could not have been complied with because the full report was not completed until 17 June.

---

<sup>1</sup> The letter of request alluded to a "28 day period". Although under sub-section 265(5)(a) of the RO Act, where the full report is to be presented to a general meeting of members, the full report must be provided to members at least 21 days before being presented, sub-section 265(5) does not prescribe a specific period or interval between providing the report and presenting it, where it is presented to a meeting of the committee of management.

Please note that subsection 265(5) is a civil penalty provision and in future financial years where it is anticipated that the full report will not be able to be provided by the relevant date, a written request must be made *prior to* the required date for the provision of the report to members.

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 (02) 6746 3283 or 0429 462 979 or by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au)

Yours sincerely

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett  
Senior Adviser,  
Regulatory Compliance Branch

# **CFMEU**

## **QLD/NT**

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

### **Financial Statements**

**For the year ended 31 December 2014**

<b>INDEX</b>	<b>Page</b>
Income Statement	2-3
Balance Sheet	4
Statement of Changes in Equity	5
Cash Flow Statement	6
Recovery of Wages Activity Report	7
Notes to the Financial Statements	8-25
Committee of Management Statement	26
Audit report	27-28
Certificate by State Secretary	29
Operating Report	30-31

**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Northern Territory Divisional Branch**  
*Income Statement for the year ended 31 December 2014*

	Note	2014 \$	2013 \$
<b>Revenue</b>			
Membership subscriptions		10,145,616	2,073,909
Compulsory levy - Defence Fund		666,953	298,953
Compulsory levy - Campaign		59,287	-
Voluntary Levy - Tool Scheme		47,892	16,500
Voluntary collections - ARDSSQ donations		65,363	18,550
Capitation fees		-	-
Revenue from other reporting units of the organisation		-	-
<b>Total revenue</b>		<b>10,985,111</b>	<b>2,407,912</b>
<b>Other Income</b>			
Grants Apprentice Scheme		3,159,736	1,215,066
Grants Other		320,000	165,000
Donations		-	-
Interest		19,459	7,440
Sundry income and reimbursement	6	2,158,760	1,365,553
<b>Total other income</b>		<b>5,657,955</b>	<b>2,753,059</b>
<b>Total other income</b>		<b>16,643,066</b>	<b>5,160,971</b>
<b>Expenses</b>			
Affiliation fees	7	175,891	33,952
Auditors remuneration - Audit services		18,200	15,000
Capitation fees	8	951,633	343,199
Compulsory levy - Campaign		59,287	-
Voluntary collections		65,363	18,550
Consideration to employers for payroll deductions		1,992	1,883
Donations	9	9,631	6,250
Apprentice Schemes		3,159,736	1,215,066
Legal fees	10	3,014,570	578,334
Meeting and conference costs	11	243,932	9,504
Meeting and conference attendance fees		26,794	3,550
Penalties	12	3,731	115,833
Impairment of property, plant & equipment	13	144,045	15,054
Officers and employee expenses	14	5,696,877	2,118,867
Other	15	2,771,197	1,002,023
<b>Total expenses</b>		<b>16,342,879</b>	<b>5,477,065</b>

**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Northern Territory Divisional Branch**  
*Income Statement for the year ended 31 December 2014*

	Note	2014 \$	2013 \$
<b>Surplus before income tax</b>		300,187	(316,094)
Income tax expense	2	-	-
<b>Surplus for the year</b>		300,187	(316,094)
<b>Other comprehensive income:</b>			
Transfer Defence Fund from CFMEUQ		-	1,863,122
<b>Total comprehensive surplus attributable to the Union</b>		300,187	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 2014*

	Note	2014 \$	2013 \$
<b><i>Current assets</i></b>			
Cash and cash equivalents	16	2,721,357	884,228
Receivables	17	746,954	1,154,036
Prepayments		61,950	167,665
<b>Total current assets</b>		<b>3,530,261</b>	<b>2,205,929</b>
<b><i>Non-current assets</i></b>			
Property, plant and equipment	18	873,698	250,101
Receivables	17	10,286,239	5,907,134
<b>Total non-current assets</b>		<b>11,159,937</b>	<b>6,157,235</b>
<b>Total assets</b>		<b>14,690,198</b>	<b>8,363,164</b>
<b><i>Current liabilities</i></b>			
Trade and other payables	19	4,440,349	561,410
Short-term provisions	20	1,188,209	634,370
Revenue in advance	21	5,317,783	3,864,386
<b>Total current liabilities</b>		<b>10,946,341</b>	<b>5,060,166</b>
<b><i>Non-current liabilities</i></b>			
Long-term provisions	20	686,828	710,365
Revenue in advance	21	1,209,814	1,045,605
<b>Total non-current liabilities</b>		<b>1,896,642</b>	<b>1,755,970</b>
<b>Total liabilities</b>		<b>12,842,983</b>	<b>6,816,136</b>
<b>Net assets</b>		<b>1,847,215</b>	<b>1,547,028</b>
<b><i>Equity</i></b>			
Retained earnings		1,847,215	1,547,028
<b>Total equity</b>		<b>1,847,215</b>	<b>1,547,028</b>

*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 2014*

	Note	Retained earnings		Total \$
		General Fund \$	Compulsory Levy Defence Fund \$	
<b>Balance at 1 January 2013</b>		-	-	-
Surplus 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
<b>Balance at 31 December 2013</b>		(604,599)	2,151,627	1,547,028
Surplus/deficit attributable to the Union		(366,766)	666,953	300,187
Other comprehensive income for the year		-	-	-
<b>Balance at 31 December 2014</b>	<b>22</b>	(971,365)	2,818,580	1,847,215

*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 2014*

	Note	2014 \$	2013 \$
<b><i>Cash flows from operating activities</i></b>			
Receipts from members		12,907,203	4,545,274
Grant receipts		3,253,608	1,233,926
Advertising Receipts		45,794	35,621
Interest received		18,282	5,889
Other sundry receipts		2,959,058	175,143
Receipts from other reporting units			
CFMEUQ		-	342,363
CFMEU National Office		2,622	-
CFMEU C&G National Office		9,464	5,933
CFMEU C&G BLF		58,089	357,443
CFMEU C&G NSW		1,300	50
CFMEU C&G Vic		-	100
CFMEU C&G WA		15,614	2,328
CFMEU FFPD SA		500	50
CFMEU M&E QLD		59,300	-
CFMEU M&E NSW		-	5
Payments to other suppliers and employees		(13,969,235)	(5,091,014)
Payments to other reporting units			
CFMEU National Office		-	(110,000)
CFMEU C&G National Office		(1,236,797)	(321,891)
CFMEU C&G BLF		(5,895)	(15,784)
CFMEU C&G NSW		-	(4,000)
CFMEU C&G VIC		(3,000)	(5,232)
CFMEU C&G ACT		(8,596)	-
CFMEU FFPD National Office		(11,638)	-
CFMEU M&E QLD		(3,371)	(2,283)
<b>Net cash provided by operating activities</b>	22	4,092,302	1,153,921
<b><i>Cash flow from investing activities</i></b>			
Purchase of fixed assets		(785,844)	(269,693)
<b>Net cash (used) by investing activities</b>		(785,844)	(269,693)
<b><i>Cash flow from financing activities</i></b>			
Cash provided to CFMEUQ		(1,469,329)	(269,693)
<b>Net cash provided (used) by investing activities</b>		(1,469,329)	(269,693)
<b>Net increase (decrease) in cash held</b>		1,837,129	884,228
Cash at the beginning of the year		884,228	-
<b>Cash at the end of the year</b>	16	2,721,357	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 2014*

	No of Note Workers	2014 \$	No of Workers	2013 \$
<b>Cash assets in respect of recovered money at the beginning of the year</b>		-		-
<b>Receipts</b>				
Amounts recovered from employers in respect of wages etc		-		-
Interest received on recovered money		-		-
Nett bank charges reimbursed from general account		-		-
<b>Total receipts</b>		-		-
<b>Payments</b>				
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		-		-
<b>Total payments</b>		-		-
<b>Cash assets in respect of recovered money at the end of the year</b>		-		-
<b>Amounts recovered but not yet paid to workers</b>		-		-

*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 2014*

---

**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.

The following significant accounting policies have been adopted in the preparation of the financial statements. The accounting policies are consistent with the previous period, unless otherwise stated.

**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*.

---

**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 2014*

---

**Note 2: Summary of significant accounting policies (contd)****(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 or reimbursement of expenditure on behalf of another party have 30 day terms and 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.

**Grant revenue**

Grants are recognised in profit or loss over the periods in which the Union recognises as expenses the related costs for which the grants are intended to compensate. Grants received in advance of the expenditure for which they are intended are recognised in the balance sheet as revenue in advance.

**(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.

**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.

**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>
Motor vehicles	25%
Plant & Equipment	10-20%

**(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.

---

## 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 2014*

---

#### **Note 2: Summary of significant accounting policies (contd)**

##### **(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 classified at the time of initial recognition and then 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.

###### **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 fair value, net of transaction costs, and subsequently measured at amortised cost, comprising original debt less principal repayments and amortisation.

###### **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.

---

**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 2014*

---

**Note 2: Summary of significant accounting policies (contd)**

**(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.

**(g) Employee benefits**

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

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

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

No provision is made for separation and redundancy benefit payments.

**(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.

---

**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 2014*

---

**Note 2: Summary of significant accounting policies (contd)**

**(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.

**Note 3: Prior Period Error - Basis of Accounting**

Prior to 2013, due to a very lengthy historical practice, the financial results and position of the state union (in respect of income, liabilities and assets) was incorrectly also reported as the financial position of the Queensland Construction Workers Divisional Branch ("QCWDB") (this Divisional Branch later changed its name and became the Queensland and Northern Territory Divisional Branch ("QNTDB")). There were no differences between the financial results and positions included in the two reports.

On a practical level, and as a matter of entrenched historical practice, what occurred was that for the consideration of not recovering a membership fee and treating financial members (otherwise eligible) of the CFMEUQ, who applied for membership and were attached to the QCWDB, as financial members of the QCWDB, the CFMEUQ provided full administrative, servicing, auditing and resourcing capability to the QCWDB.

The QCWDB, until May 2013, did not have income or expenses and did not maintain a bank account separate to that of the CFMEUQ. It is considered that until the establishment of its bank account the QCWDB did not have financial affairs.

This matter is not adequately dealt with in the notes to the 2013 Report of the QNTDB.

In making the assumption that the CFMEUQ and the QCWDB would be treated as the same (entity) for the purposes of financial reporting, the practical outcome was that each financial report was the same and in effect a report reflecting the totality of the affairs of the CFMEUQ and the QCWDB. That is there was only one set of income and expenditure.

---

**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 2014*

---

**Note 3: Prior Period Error - Basis of Accounting (contd)**

Importantly, given the practical effect of the financial reporting and that the members of the CFMEUQ and the QCWDB were significantly the same for the period up to and including the financial year ended 31 December 2012, the reports that were historically provided to members appropriately advised the overall financial situation that had impacted on them as a member of the two entities. Consequently the members of the QCWDB have not been placed in a position to their detriment because of the error.

**Note 4: Prior Period Error - Membership Fees**

- (i) The 2012 financial report for the QCWDB did not recognise the "non-Queensland" fees (the fees for members residing in the Northern Territory) This issue was corrected in the financial statements for the year ended 31 December 2013.
- (ii) The financial implication of receiving Northern Territory fees appears in the membership subscription line item of the 2013 income statement. The comparative amount from 2012 was appropriately adjusted to include Northern Territory fees.
- (iii) The notes to the 2013 financial reports did not explain that the \$200,833 of membership subscriptions provided from the CFMEUQ to the QCWDB in 2012 was the amount collected in respect of members in the Northern Territory (and the Forestry, Furnishing, Building Products and Manufacturing Division) that were not eligible for membership of the CFMEUQ.

**Note 5: Change in Accounting Policies - Revenue & Receivables**

Prior to 2013 membership subscriptions from members were recorded on the cash basis.

On the request of the Fair Work Commission, the accrual basis for reporting membership subscriptions was adopted for the year ended 31 December 2013.

The financial effect of changing this accounting policy was explained in Note 2 to the financial statements for the year ended 31 December 2013:

*"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.*

*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 is:*

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

**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 2014*

	2014 \$	2013 \$
<b>Note 6: Sundry income and reimbursement</b>		
Apprentice Scheme administration recovery	547,115	629,742
Promotional charges	761,051	364,656
Compliance recoveries	289,007	142,286
Sundry income and reimbursements	561,587	228,869
	2,158,760	1,365,553
<b>Note 7: Affiliation fees</b>		
Political affiliation	69,663	-
Other affiliations		
QCU	69,525	31,718
Union Shopper	36,703	-
NT Trades & Labour Council	-	2,234
	175,891	33,952
<b>Note 8: Capitation fees</b>		
CFMEU C&G National Office affiliation	941,624	333,848
CFMEU FFPD National Office affiliation	10,009	9,351
	951,633	343,199
<b>Note 9: Donations</b>		
Total paid that were \$1,000 or less	1,831	1,250
Total paid that exceeded \$1,000	7,800	5,000
	9,631	6,250
<b>Note 10: Legal fees</b>		
Litigation	1,344,791	545,347
Other	169,629	32,987
Penalties & Settlements	1,500,150	-
	3,014,570	578,334
<b>Note 11: Meeting and conference costs</b>		
Convention expenses	187,574	-
SMC & state executive expenses	9,037	2,442
Sub-branch expenses	29,433	3,492
Other meeting expenses	17,888	3,570
	243,932	9,504



---

**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 2014*

---

	2014	2013
	\$	\$
<b>Note 12: Penalties</b>		
RO Act and Regulations penalties	-	115,833
Other penalties	3,731	-
	<hr/> 3,731	<hr/> 115,833
<b>Note 13: Impairment of property, plant &amp; equipment</b>		
Motor vehicles depreciation	135,306	14,279
Plant and equipment depreciation	8,739	775
	<hr/> 144,045	<hr/> 15,054
<b>Note 14: Officers and employee expenses</b>		
<b>  Holders of Office:</b>		
Wages & salaries	727,698	216,206
Superannuation	113,910	31,419
Redundancy Fund	11,361	6,640
Leave and other entitlements	131,521	6,351
Other employee expenses	4,397	1,555
	<hr/> 988,887	<hr/> 262,171
<b>  Employees other than office holders:</b>		
Wages & Salaries	3,936,329	1,458,371
Superannuation	680,878	243,907
Redundancy Fund	152,244	53,788
Leave and other entitlements	(107,546)	86,042
Other employee expenses	46,085	14,588
	<hr/> 4,707,990	<hr/> 1,856,696
	<hr/> 5,696,877	<hr/> 2,118,867

---

**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 2014*

---

	2014	2013
	\$	\$
<b>Note 15: Other operating costs</b>		
Administration expenditure	88,545	25,211
Administration fee paid to CFMEUQ	-	160,030
Advertising & marketing	183,499	115,512
Aged auxiliary	14,931	11,004
Communications	125,286	56,182
Computer expenses	16,065	3,042
Conference expenses	10,415	4,655
External agencies	-	2,679
Fringe Benefits Tax	125,171	52,994
Insurance	1,195	-
International delegates	10,407	123
Labour Day expenses	91,605	-
Motor vehicle expenses	379,037	142,306
Organising expenses	537,507	200,787
Payroll Tax	298,867	108,274
Postage	101,747	36,787
Printing and stationery	94,481	23,396
Publication Expenses	75,446	33,896
Rent paid	583,251	3,073
Subscriptions	6,332	6,352
Training	14,402	1,660
Workers Compensation	13,008	14,060
	<hr/> 2,771,197	<hr/> 1,002,023
<b>Note 16: Cash and cash equivalents</b>		
Petty cash on hand	4,300	4,300
Debit card	500	-
Main account	576,181	255,935
Business Internet Saver account	2,140,376	623,993
	<hr/> 2,721,357	<hr/> 884,228

**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 2014*

**Note 17: Receivables**

*Current*

Interest receivable	2,728	1,551
Membership dues	942,610	560,326
Other receivables	298,948	921,050
Receivables from other reporting units		
BLF	-	18,717
CFMEU C&G National office	-	1,919
CFMEU C&G WA	-	2,289
	1,244,286	1,505,852
Less: Provision for impairment of receivables	(497,332)	(351,816)
Total current receivables	746,954	1,154,036

*Non-current*

Receivables from other reporting units		
CFMEUQ	10,286,239	5,907,134
Total non-current receivables	10,286,239	5,907,134

**Total Receivables**

11,033,193 7,061,170

**Note 18: Property, Plant and Equipment**

Motor vehicles - at cost	991,754	255,291
Less: accumulated depreciation mv	(172,325)	(18,817)
	819,429	236,474

Plant and equipment - at cost	63,783	14,402
Less: accumulated depreciation pne	(9,514)	(775)
	54,269	13,627
	873,698	250,101

**Movements in carrying amounts**

*Motor vehicles*

Balance at beginning of year	236,474	-
Additions	736,463	255,291
Disposals (WDV)	-	-
Depreciation expense - Note 13	(135,306)	(14,279)
Depreciation - Apprentice Scheme	(18,202)	(4,538)
Carrying amount at end of year	819,429	236,474

---

**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 2014*

---

	2014	2013
	\$	\$
<b>Note 18: Property, Plant and Equipment (contd)</b>		
<b>Movements in carrying amounts (contd)</b>		
<i>Plant &amp; equipment</i>		
Balance at beginning of year	13,627	-
Additions	49,381	14,402
Disposals (WDV)	-	-
Depreciation expense - Note 13	(8,739)	(775)
	<hr/>	<hr/>
Carrying amount at end of year	54,269	13,627
	<hr/>	<hr/>
<b>Note 19: Trade and other payables</b>		
Trade payables and accruals	1,104,713	458,441
Payable to other reporting units		
CFMEU C&G National Office	106,049	63,368
CFMEU FFPD National Office	808	1,380
Legal costs	3,135,195	-
Voluntary collections - ARDSSQ	93,584	38,221
Consideration to employers for payroll deductions	-	-
	<hr/>	<hr/>
<b>Total classified as financial liabilities at amortised cost</b>	4,440,349	561,410
	<hr/>	<hr/>
<b>Note 20: Provisions</b>		
<i>Employee entitlements:</i>		
<b>Opening Balance at 1 January</b>	1,344,735	-
Staff transferred in	626,799	1,226,753
Additional provisions raised during year		
General fund	23,975	92,393
Apprentice Scheme	114,960	25,589
Amounts used	(235,432)	-
	<hr/>	<hr/>
<b>Balance at 31 December</b>	1,875,037	1,344,735
	<hr/>	<hr/>
<i>Analysis of employee entitlements:</i>		
Current	1,188,209	634,370
Non-current	686,828	710,365
	<hr/>	<hr/>
	1,875,037	1,344,735
	<hr/>	<hr/>
<b>Holders of office:</b>		
Annual leave	88,132	57,312
Long service leave	357,921	188,357
Separations and redundancies	-	-
	<hr/>	<hr/>
Total holders of office	446,053	245,669
	<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 2014*

	2014 \$	2013 \$
<b>Note 20: Provisions (contd)</b>		
<b>Employees other than holders of office:</b>		
Annual leave	673,602	499,842
Long service leave	755,381	599,224
Separations and redundancies	-	-
Total employees other than holders of office	1,428,983	1,099,066
Total Officers and Employee Entitlements Provision	1,875,036	1,344,735
<b>Note 21: Revenue in advance</b>		
<i>Current</i>		
Apprentice Scheme Funding	2,260,441	1,868,321
Other revenue in advance	3,057,342	1,996,065
Total Current Revenue in Advance	5,317,783	3,864,386
<i>Non-Current</i>		
Apprentice Scheme Funding NC	1,209,814	1,045,605
Total Non-current Revenue in Advance	1,209,814	1,045,605
<b>Total revenue in Advance</b>	<b>6,527,597</b>	<b>4,909,991</b>
<b>Note 22: Cash flow information</b>		
<b>(a) Reconciliation of cash flow from operations with surplus after income tax</b>		
Surplus from ordinary activities after income tax	300,187	(316,094)
<i>Non-cash flows in ordinary activities</i>		
Depreciation expense - Note 13	144,045	15,054
Depreciation - Apprentice Scheme	18,202	4,538
Depreciation - Apprentice Scheme assets owned by CFMEU	29,122	-
Rent paid to CFMEUQ	562,230	-
<i>Changes in assets and liabilities</i>		
(Increase) in receivables	(511,331)	(739,434)
(Increase) decrease in prepayments	107,312	(167,665)
Increase in payables	3,044,036	501,790
Increase in revenue in advance	494,996	1,737,750
Increase (decrease) in provisions	(96,497)	117,982
	4,092,302	1,153,921

(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.

**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 2014*

**Note 23: Capital and Lease Commitments**

	2014	2013
	\$	\$
Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:		
Within one year	22,279	-
After one year but not more than five years	2,167	-
More than five years	-	-
	<u>24,446</u>	<u>-</u>
Capital expenditure commitments contracted for:	<u>24,446</u>	<u>-</u>

**Note 24: 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 or a matter has been settled 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 unresolved matters as the Union intends to defend the claims.

**Note 25: Events after the Reporting date**

Since the end of the reporting period, the Construction, Forestry, Mining and Energy Union, Construction & General Division, Queensland Northern Territory Divisional Branch (QNTDB) was amalgamated with the Construction, Forestry, Mining and Energy Union, Queensland Builders Labourers Division (QDLDB). Details of the merger can be found at Note 28.

**Note 26: Related Party Disclosures**

**Key management personnel remuneration for the reporting period:**

**Short term employee benefits**

Salary (including annual leave taken)	727,698	216,206
Annual leave accrued	3,278	-
Performance bonus	-	-
Other employee benefits	4,397	1,555
	<u>735,373</u>	<u>217,761</u>

**Post employment benefits**

Superannuation	113,910	31,419
Redundancy fund	11,361	6,640
	<u>125,271</u>	<u>38,059</u>

**Other long term benefits**

Long service leave	128,243	6,351
	<u>128,243</u>	<u>6,351</u>

**Termination benefits**

	-	-
	<u>-</u>	<u>-</u>

<b>Total</b>	<u>988,887</u>	<u>262,171</u>
--------------	----------------	----------------

**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 2014*

**Note 27: Financial Risk Management**

The Union's financial instruments are listed below.

	2014	2013
	\$	\$
<b>Financial assets</b>		
Cash and bank	2,721,357	884,228
Receivables	746,954	1,154,036
	3,468,311	2,038,264
<b>Financial liabilities</b>		
Trade and Other Payables	4,440,349	561,410
	4,440,349	561,410

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.

**Credit Risk**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Union.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Union has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good quality, including those that are past due.

The credit risk for liquid funds, and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The following table details the Union's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled, within the terms and conditions agreed between the Union and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Union.

The balances of receivables that remain with initial trade terms (as detailed in the table) are considered to be of high credit quality.

The Union does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

**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 2014*

**Note 27: Financial Risk Management (contd)**

The other classes of receivables do not contain impaired assets.

	Gross Amount \$	Past Due and impaired \$	Past due but not impaired				Within initial trade terms \$
			<30 \$	31-60 \$	61-90 \$	>90 \$	
<b>2014</b>							
Membership dues	445,278	445,278	-	-	-	-	-
Monies owing by CFMEUQ	10,286,239	-	-	-	-	-	10,286,239
Other receivables	301,676	-	301,676	-	-	-	-
	11,033,193	445,278	301,676	-	-	-	10,286,239
<b>2013</b>							
Membership dues	208,510	208,510	-	-	-	-	-
Monies owing by CFMEUQ	5,907,134	-	-	-	-	-	10,286,239
Other receivables	945,526	-	945,526	-	-	-	-
	7,061,170	208,510	945,526	-	-	-	10,286,239

The balances of receivables that remain with initial trade terms (as detailed in the table) are considered to be of high credit quality.

The Union does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

**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

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

**Note 28: Acquisition of assets/liabilities from an amalgamation/restructure**

On 1 May 2014, the Construction, Forestry, Mining and Energy Union, Construction & General Division, Queensland Northern Territory Divisional Branch (QNTDB) was amalgamated with the Construction, Forestry, Mining and Energy Union, Queensland Builders Labourers Division (QDLDB).

On 1 May 2014, the Construction, Forestry, Mining & Energy, Industrial Union of Employees, Queensland (CFMEUQ) was amalgamated with the Australian Building Construction Employees and Builders Labourers' Federation (Queensland) Union of Employees (BLF).



**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 2014*

**Note 28: Acquisition of assets/liabilities from an amalgamation/restructure (contd)**

As a consequence of the amalgamation, from 1 May 2014 the BLF was deregistered and all assets and liabilities were transferred to the CFMEUQ.

Assets and liabilities of an operational nature were transferred to the Federally registered reporting unit the Construction, Forestry, Mining & Energy, Union, Construction & General Division, Queensland Northern Territory Divisional Branch (QNTDB).

The financial effect of the amalgamation in the year ended 31 December 2014 is:

	<i>BLF</i>	<i>Allocation</i>	
	\$	<i>CFMEU</i>	<i>QNTDB</i>
		\$	\$
<b><i>Assets</i></b>			
Cash at Bank	1,603,248	1,603,248	-
Receivables	25,837	-	25,837
Prepayments	1,597	-	1,597
Financial Assets	2,012,468	2,012,468	-
Investment Property	1,051,701	1,051,701	-
Property, Plant & Equipment	3,140,979	3,140,979	-
	<b>7,835,830</b>	<b>7,808,396</b>	<b>27,434</b>
<b><i>Liabilities</i></b>			
Creditors	834,903	-	834,903
Provisions for Employee Entitlements	626,799	-	626,799
Revenue in Advance	1,122,610	-	1,122,610
CFMEU/QNTDB	-	2,556,878	(2,556,878)
	<b>2,584,312</b>	<b>2,556,878</b>	<b>27,434</b>
<b><i>Net Assets</i></b>	<b>5,251,518</b>	<b>5,251,518</b>	<b>-</b>
<b><i>Equity</i></b>			
Retained Earnings	4,225,126	4,225,126	-
Asset Revaluation Reserve	1,024,142	1,024,142	-
Financial Assets revaluation reserve	2,250	2,250	-
	<b>5,251,518</b>	<b>5,251,518</b>	<b>-</b>

**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 2014*

**Note 29: Administration of financial affairs by a third party**

The Union's financial affairs were previously 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	2014	2013
	\$	\$
<b>Revenue</b>		
Membership subscriptions	-	166,792
Compulsory levy - Defence Fund	-	10,448
	-	177,240
<b>Expenses</b>		
CFMEU C&G National Office affiliation	-	12,989
CFMEU FFPD National Office affiliation	-	4,221
Administration fee paid to CFMEUQ	-	160,030
	-	177,240

**Note 30: Net Current Asset Deficiency**

The Union was in a net current liability position of \$7,416,080 (2013: \$2,854,237) as at 31 December 2014.

Given the union's net current liability position, the ability of the union to continue as a going concern, including its ability to pay its debts as and when they fall due needs to be considered.

The net current liability position was mainly due to the following:

- An increase in revenue received in advance of which approximately \$909,000 was brought into the accounts of the union from the amalgamation of the BLF.
- The recognition of \$3 million in legal costs which is payable within the next 12 months.

The continuation of the union as a going concern is dependent upon its ability to achieve the following:

- The continued support of its members; and
- The continued support of the CFMEUQ.
- The union's ability to potentially liquidate non-current assets

It is on the basis of the union's ability to maintain the above arrangements, that the Committee of Management have prepared the financial report on a going concern basis. In the event that the above arrangements are not continued, there is uncertainty as to whether the union will continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the union not continue as a going concern.

---

**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 2014*

---

**Note 31: Disclosures of Officers' Remuneration and Non-cash Benefits**

Pursuant to Rule 24B of the Union's Rules, the Divisional Executive make the following disclosures of Officer remuneration and non-cash benefits received for the 2014 calendar year ("the disclosure period"):

- (a) the two highest paid officers of the Association for the financial year, and their remuneration, were as follows:

	Michael Ravbar	Jade Ingham	Total
	Divisional Branch Secretary	Divisional Branch Assistant Secretary	
	\$	\$	\$
Salary and allowances	147,630	133,739	281,369
Movement in annual and long service leave provisor	29,683	12,426	42,109
Superannuation	22,021	19,674	41,695
Redundancy	4,687	4,687	9,374
	<hr/>	<hr/>	<hr/>
	204,021	170,526	374,547

In addition, these officers are each provided with a fully maintained motor vehicle (non-cash benefit).

- (b) Superannuation has been received by the following officers of the association from a board position attained because of their position with the Union.

Michael Ravbar	Divisional Branch Secretary	7,713
David Hanna	Divisional Branch President	33,968
Jade Ingham	Divisional Branch Assistant Secretary	2,872
Peter Close	Divisional Branch Assistant Secretary	5,160
		<hr/>
		49,713

No other remuneration or non-cash benefits had been received by Officers of the Association from a board position attained because of their position with the Union.

In accordance with Rule 24C, David Hanna, the Divisional Branch President has declared his wife's employment with Red Roo Australia Pty Ltd from whom the Union purchases some of its merchandising and promotional materials. No other officer have any material personal interest in a matter acquired by the officer, their relative or their business associates, which relate to the affairs of the Union.

In accordance with Rule 24D, refer to note 26 for payments made by the Union to related parties. There were no payments made to a declared person or body of the Union during the disclosure period.

**Note 32: 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 2014*

---

*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 17/6/2015 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
- (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
- (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 of the RO Act.
- (f) In relation to recovery of wages activity:
  - (i) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

Signed on behalf of the Committee of Management by:



*Michael John Ravbar*  
Divisional Branch Secretary

Date: 17/06/15

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION  
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

**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 2014, income statement, statement of changes in equity, and cash flow statement 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 and Secretary of the Union are responsible for the preparation and fair presentation of the financial report in accordance with Australia Accounting Standards and the *Fair Work (Registered Organisations) Act 2009* and for such internal control as the Committee of Management and Secretary of the Union determine 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 Australia 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 judgment, 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 evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluation 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 the Accounting Professional and Ethical Standards Board.

*Auditor's opinion*

In our opinion, the financial report of the Construction, Forestry, Mining and Energy Union, Construction and General Division, Queensland Northern Territory Divisional Branch:

- (a) presents fairly in all material respects, the Union's financial position as at 31 December 2014 and of its performance and cash flows for the year then ended; and
- (b) complies with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*.

*Other Matter*

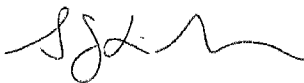
We note that the financial report for the Construction, Forestry, Mining and Energy Union, Construction and General Division, Queensland Northern Territory Divisional Branch for the year ended 31 December 2013 was audited by another auditor who expressed an unmodified opinion dated 26 May 2014.

**Report on Other Regulatory Requirements**

- (a) The scope of our audit did extend to recovery of wages activity because, as noted in the Committee of Management Statement, no such activity was undertaken during the reporting period.
- (b) In our opinion, the Committee of Management's use of the going concern basis of accounting in the preparation of the financial report is appropriate.
- (c) I am an approved auditor as defined by Regulation 4 of the *Fair Work (Registered Organisations) Regulations 2009* being a member of the Institute of Chartered Accountants in Australia who holds a current Public Practice Certificate.

*PKF Hacketts*

**PKF Hacketts Audit**



**Shaun Lindemann  
Partner**

Brisbane  
Date: 17 June 2015

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

*Certificate by Prescribed Designated Officer for the year ended 31 December 2014*

I, Michael John Ravbar, being the Divisional Branch Secretary of the Construction, Forestry, Mining and Energy Union, Construction and General Division, Queensland Northern Territory Divisional Branch certify:

- that the documents lodged herewith are copies of the full report for the Construction, Forestry, Mining and Energy Union, Construction and General Division, Queensland Northern Territory Divisional Branch for the year ended 31 December 2014 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009.
- that the full report was provided to members of the report unit on 24 June 2015;  
and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 17 June 2015 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.



**Michael John Ravbar**  
*Divisional Branch Secretary*

Date: 30 June 2015

---

**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Northern Territory Divisional Branch**  
*Operating Report for the year ended 31 December 2014*

---

The Committee of Management presents the Operating Report for the financial year ended 31 December 2014:

**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>
David Hanna	Director	Buss(Q)

**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 17,938.

**Number of Employees**

The number of full-time equivalent employees of the Union at the end of the financial year was 47.55



---

**Construction, Forestry, Mining and Energy Union**

**Construction and General Division**

**Queensland Northern Territory Divisional Branch**

*Operating Report for the year ended 31 December 2014 (contd)*

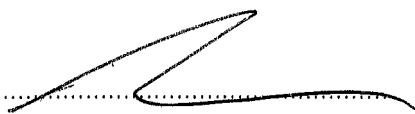
---

**Committee of Management**

Listed below are the members of the Committee of Management at any time during the financial year. Those marked with an asterisk were members from 1 February 2014 to 31 December 2014. All others were members for the entire year.

* Steven Anderson	* Tony Floro	Ian McKewin
Paul Barber	Steven Gaske	Keith Murphy
Andrew Clark	* David Hanna	* Kane Pearson
Peter Close	* Kevin Heenan	Michael Ravbar
John Cummins	Dallas Hunter	Wayne Scobie
Bradley Daniel	Jade Ingham	Thomas Smith
Marcus Dittman	* Mick Koning	Shaun Weatherall
Anthony Dougherty	* Dean Kupsch	* Bob Williams
* Dallas Ezzy	* Royce Kupsch	* Patrick Maher
* James Fissenden		

Signed on behalf of the Committee of Management by:

  
.....  
**Michael John Ravbar**  
Divisional Branch Secretary

.....  
17/06/15  
Date

:pm

25 June 2015

The General Manager  
The Fair Work Commission  
80 William Street  
East Sydney NSW 2011

Email: [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)

Dear Sir

**Re: Application for extension of time for lodgement of financial statements for year ended 31 December 2014**

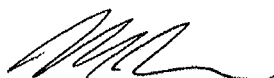
The Construction, Forestry, Mining & Energy Union, Construction & General Division, Queensland Northern Territory Divisional Branch is seeking an extension of time for the lodgement of its audit report and financial statements for the financial year ended 31 December 2014.

Due to a combination of factors including amalgamation with the Construction, Forestry, Mining & Energy Union, Queensland Builders Labourers Divisional Branch, additional requirements for inclusion in the financial statements and the appointment of new auditors there have been delays in the preparation and audit of the statements.

We are also seeking an extension of time for the lodgement of the Construction, Forestry, Mining & Energy, Queensland Builders Labourers Divisional Branch for the period ended 31 January 2014.

Both sets of statements have now been completed and have been presented to a Committee of Management meeting held on 17 June 2015. It is anticipated that these statements will be adopted at a second Committee of Management meeting to be scheduled for late July following the 28 day period wherein the statements have been made available for members.

Attached please find a list of donations in excess of \$1,000 for the year ended 31 December 2014.



**Michael Ravbar**  
**Divisional Branch Secretary**

Enc



11 June 2015

Mr Michael Ravbar  
Branch Secretary  
Construction, Forestry, Mining and Energy Union-Construction and General Division, Queensland  
Northern Territory Divisional Branch  
Sent via email: [queries@qld.cfmeu.asn.au](mailto:queries@qld.cfmeu.asn.au)

Dear Mr Ravbar,

### **Lodgement of Financial Report - Reminder to lodge on or before 15 July 2015**

The Fair Work Commission's (the FWC) records disclose that the financial year of the Construction and General Division, Queensland Northern Territory Divisional Branch of the Construction, Forestry, Mining and Energy Union (the reporting unit) ended on the 31 December 2014.

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

The maximum period of time allowed under the RO Act for the completion of the financial reporting process is six months and 14 days after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). For your reporting unit that requires lodgement of its financial report on or before **15 July 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](mailto: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) 8661 7936 or via email at [robert.pfeiffer@fwc.gov.au](mailto:robert.pfeiffer@fwc.gov.au).

Yours sincerely,

Robert Pfeiffer  
Senior Adviser  
Regulatory Compliance Branch



12 January 2015

Mr Michael Ravbar

Branch Secretary

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

Sent via email: [queries@qld.cfmeu.asn.au](mailto:queries@qld.cfmeu.asn.au)

Dear Mr Ravbar,

**Re: Lodgement of Financial Report - [FR2014/382]  
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Construction and General Division, Queensland Northern Territory Divisional Branch of the Construction, Forestry, Mining and Energy Union (the reporting unit) ended on 31 December 2014.

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 2015 (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. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website which includes a webinar presentation on the Reporting Guidelines.

The Fair Work Commission has also developed a model set of financial statements. 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 [Financial Reporting](#).

I request that the financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) be emailed, rather than posted, to [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au). A sample statement of loans, grants or donations is available at [sample documents](#).

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

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at [robert.pfeiffer@fwc.gov.au](mailto: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.		
<p>(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.</p> <p>(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).</p>	/ /	As soon as practicable after end of financial year
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"> <li>the General Purpose Financial Report (which includes the Committee of Management Statement);</li> <li>the Auditor's Report; and</li> <li>the Operating Report.</li> </ul>	/ /	<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.