



11 August 2017

Mr Michael Ravbar
Branch Secretary
Construction, Forestry, Mining and Energy Union
Construction and General Division, Queensland Northern Territory Divisional Branch
queries@qld.cfmeu.asn.au

CC: Shaun.Lindemann@pkf.com.au

Dear Branch Secretary,

**Construction, Forestry, Mining and Energy Union-Construction and General Division,
Queensland Northern Territory Divisional Branch
Financial Report for the year ended 31 December 2016 - [FR2016/337]**

I acknowledge receipt of the financial report of the Construction, Forestry, Mining and Energy Union-Construction and General Division, Queensland Northern Territory Divisional Branch. The documents were lodged with the Registered Organisations Commission (the ROC) on 23 June 2017.

The financial report has now been filed.

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

Please note that the financial report for the year ending 31 March 2017 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged however I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

Reports must be provided to members within 5 months of end of financial year where report is presented before Committee of Management meeting

The Designated Officer's Certificate states that the financial report was provided to members on 2 June 2017, and presented to a Committee of Management meeting on 16 June 2017. 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.

If these dates are correct, the reporting unit should have applied for an extension of time for the provision of the financial report to members in accordance with section 265(5) of the RO Act.

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

Please note that subsection 265(5) is a civil penalty provision and future failure to meet this timelines may result in an inquiry into the organisation and the Commissioner of the ROC may

apply under s.310(1) of the RO Act to the Federal Court of Australia for a pecuniary penalty order to be imposed on your organisation and, potentially, an officer whose conduct led to the non-compliance.

Reporting Requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

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

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at david.vale@roc.gov.au.

Yours faithfully

A handwritten signature in blue ink that reads "David Vale". The signature is written in a cursive style and is contained within a rectangular box.

David Vale
Principal Adviser, Financial Reporting
Registered Organisations Commission

From: [QNT Queries](#)
To: [ROC - Registered Org Commission](#)
Subject: FR2016/337 CFMEU C & G QLD NT Financial Statements y/e 31 December 2016
Date: Friday, 23 June 2017 5:20:10 PM
Attachments: [image001.jpg](#)
[image002.png](#)
[image003.png](#)
[photocopier_20170623_171636.pdf](#)

Attached please find the financial statements for the Construction Forestry Mining & Energy Union, Construction and General Division, Queensland Northern Territory Divisional Branch for the year ended 31 December 2016.

Regards

Paula Masters



QLD/NT Branch

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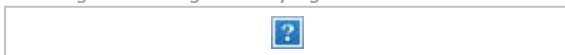
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**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

Financial Statements

For the year ended 31 December 2016

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

Statement of Comprehensive Income for the year ended 31 December 2016

	Note	2016 \$	2015 \$
Revenue			
Membership subscriptions		11,728,526	10,761,043
Compulsory levy - Defence Fund		1,123,927	909,385
Compulsory levy - Campaign	2(o)	287,043	274,645
Voluntary Levy - Tool Scheme		49,800	49,200
Voluntary collections - ADSS donations		60,940	57,430
Gain on disposal of fixed assets		58,831	2,046
Capitation fees		-	-
Revenue from other reporting units of the organisation		-	-
Total revenue		13,309,067	12,053,749
Other Income			
Grants Apprentice Scheme		4,510,644	3,139,908
Grants Other		525,000	427,500
Donations		-	-
Interest		183,244	61,801
Sundry income and reimbursement	3	2,798,870	2,334,679
Total other income		8,017,758	5,963,888
Total other income		21,326,825	18,017,637
Expenses			
Affiliation fees	4	196,475	235,867
Auditors remuneration - Audit services		32,260	34,042
Capitation fees	5	1,016,439	967,343
Compulsory levy - Campaign		287,043	274,645
Voluntary levy - Tool Scheme		-	200
Voluntary collections		60,940	57,430
Consideration to employers for payroll deductions		543	418
Donations	6	41,993	27,184
Apprentice Schemes		3,385,054	3,139,908
Legal fees	7	3,025,178	3,618,324
Meeting and conference costs	8	293,720	46,742
Meeting and conference attendance fees		3,430	9,409
Penalties	9	4,586	1,955
Depreciation of property, plant & equipment	10	295,463	246,357
Officers and employee expenses	11	6,696,841	6,098,228
Other	12	3,246,419	2,832,916
Total expenses		18,586,384	17,590,968

Construction, Forestry, Mining and Energy Union**Construction and General Division****Queensland Northern Territory Divisional Branch***Statement of Comprehensive Income for the year ended 31 December 2016*

	Note	2016 \$	2015 \$
Surplus before income tax		2,740,441	426,669
Income tax expense	2	-	-
Surplus for the year		2,740,441	426,669
Other comprehensive income:		-	-
Total comprehensive surplus attributable to the Union		2,740,441	426,669

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 Financial Position as at 31 December 2016

	Note	2016 \$	2015 \$
<i>Current assets</i>			
Cash and cash equivalents	13	7,941,340	9,748,742
Receivables	14	2,901,399	668,516
Prepayments		77,435	78,525
Total current assets		10,920,174	10,495,783
<i>Non-current assets</i>			
Property, plant and equipment	15	1,263,697	1,097,219
Receivables	14	2,952,137	3,202,137
Total non-current assets		4,215,834	4,299,356
Total assets		15,136,008	14,795,139
<i>Current liabilities</i>			
Trade and other payables	16	1,841,613	3,666,573
Short-term provisions	17	1,669,391	1,373,370
Revenue in advance	18	5,460,862	6,434,832
Total current liabilities		8,971,866	11,474,775
<i>Non-current liabilities</i>			
Long-term provisions	17	577,122	480,138
Revenue in advance	18	572,695	566,342
Total non-current liabilities		1,149,817	1,046,480
Total liabilities		10,121,683	12,521,255
Net assets		5,014,325	2,273,884
<i>Equity</i>			
Retained earnings		5,014,325	2,273,884
Total equity		5,014,325	2,273,884

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 2016

	Note	Retained earnings		
		General Fund	Compulsory Levy Defence Fund	Total
		\$	\$	\$
Balance at 1 January 2015		(971,365)	2,818,580	1,847,215
Surplus attributable to the Union		(482,716)	909,385	426,669
Other comprehensive income for the year		-	-	-
Balance at 31 December 2015		(1,454,081)	3,727,965	2,273,884
Surplus/deficit attributable to the Union		1,616,514	1,123,927	2,740,441
Other comprehensive income for the year		-	-	-
Balance at 31 December 2016		162,433	4,851,892	5,014,325

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 2016

	Note	2016 \$	2015 \$
<i>Cash flows from operating activities</i>			
Receipts from members		14,039,062	13,947,687
Grant receipts		2,987,332	4,120,597
Advertising Receipts		40,098	47,861
Interest received		183,773	46,720
Other sundry receipts		2,598,760	2,154,586
Receipts from other reporting units			
CFMEUQ		-	-
CFMEU National Office		-	-
CFMEU C&G National Office		1,000	58,261
CFMEU C&G NSW		1,000	21,933
CFMEU C&G Vic		-	2,988
CFMEU C&G WA		1,000	3,247
CFMEU C&G ACT		3,219	19,223
CFMEU C&G ACT		-	943
Payments to other suppliers and employees		(18,882,825)	(18,320,493)
Payments to other reporting units			
CFMEUQ		(668,724)	-
CFMEU National Office		(255,982)	-
CFMEU C&G National Office		(1,612,218)	(1,643,896)
CFMEU C&G VIC		(24,075)	-
CFMEU C&G ACT		(2,200)	-
CFMEU C&G WA		(2,725)	(2,000)
CFMEU C&G NSW		(141)	-
CFMEU FFPD National Office		(10,013)	-
CFMEU M&E QLD		(20,031)	-
Net cash provided by operating activities	19	(1,623,690)	457,657
<i>Cash flow from investing activities</i>			
Proceeds from sale of fixed assets		365,427	-
Purchase of fixed assets		(799,139)	(496,967)
Net cash (used) by investing activities		(433,712)	(496,967)
<i>Cash flow from financing activities</i>			
Cash received from/(provided to) CFMEUQ		250,000	7,066,695
Net cash provided (used) by investing activities		250,000	7,066,695
Net increase (decrease) in cash held		(1,807,402)	7,027,385
Cash at the beginning of the year		9,748,742	2,721,357
Cash at the end of the year	13	7,941,340	9,748,742

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 2016

	No of Note Workers	2016 \$	No of Workers	2015 \$
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		-		-
CIPL		-		-
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 2016

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*. The financial statements also comply with Tier 1 reporting requirement under AASB 1053 - *Application of Tiers of Australian Accounting Standards*.

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 2016

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 asset 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	10-33.3%

(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 2016

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.

(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.

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 2016

Note 2: Summary of significant accounting policies (contd)

(f) Impairment of Assets (contd)

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) Fair value measurement

The Union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, at fair value at each balance sheet date.

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

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

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

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

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

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

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

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 2016

Note 2: Summary of significant accounting policies (contd)

(h) Employee benefits

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

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

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

No provision is made for separation and redundancy benefit payments.

(i) 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.

(j) 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.

(k) 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.

(l) Comparative Figures

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

(m) 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 2016

Note 2: Summary of significant accounting policies (contd)

(n) Retained Earnings - Compulsory Levy Defence Fund

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.

Funds collected by the compulsory levy defence fund are held in cash and short term deposits.

No funds have been invested in assets.

All funds required by the rules of the Union are included in the statement of changes in equity.

There have been no transfers or withdrawals to or from the compulsory levy defence fund in the period.

(o) Compulsory Levy Campaign

The compulsory campaign levy was established by the National Office of the CFMEU to provide resources to fight against attacks against the Union by employers, governments and media. The levy is paid to the National Office of the CFMEU's Construction and General Division.

(p) Accounting Standards Adopted during the Current Financial Year

The Union adopted all new Australian Accounting Standards that became mandatory for reporting periods beginning on 1 January 2016. No new accounting standards adopted had any material impact on this financial report.

(q) New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Union, together with an assessment of the potential impact of such pronouncements on the Union when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Union on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

The adoption of AASB 9 is not expected to have a significant impact on the Union's financial instruments.

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 2016

Note 2: Summary of significant accounting policies (contd)

(q) New Accounting Standards for Application in Future Periods (contd)

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the Committee anticipate that the adoption of AASB 15 may have an impact on the Union's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

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 2016

Note 2: Summary of significant accounting policies (contd)

(q) New Accounting Standards for Application in Future Periods (contd)

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the Committee anticipate that the adoption of AASB 16 will impact the Union's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

	2016	2015
	\$	\$
Note 3: Sundry income and reimbursement		
Administration recoveries	453,320	444,163
Promotional charges	929,402	795,837
Compliance recoveries	345,453	351,657
Training Asbestos	176,475	3,000
Training Impairment	42,403	-
Sundry income and reimbursements	851,817	740,022
	2,798,870	2,334,679
Note 4: Affiliation fees		
Political affiliation	78,183	112,902
Other affiliations		
QCU	116,315	112,699
NT Trades & Labour Council	1,977	10,266
	196,475	235,867
Note 5: Capitation fees		
CFMEU C&G National Office affiliation	1,002,753	955,053
CFMEU FFPD National Office affiliation	13,686	12,290
	1,016,439	967,343

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 2016

	2016 \$	2015 \$
Note 6: Donations		
Total paid that were \$1,000 or less	3,879	6,684
Total paid that exceeded \$1,000	38,114	20,500
	41,993	27,184
No grants were paid during the reporting period.		
Note 7: Legal fees		
Litigation	1,323,653	1,479,120
Other	255,104	377,170
Penalties & Settlements	1,446,421	1,762,034
	3,025,178	3,618,324
Note 8: Meeting and conference costs		
Convention expenses	218,801	-
SMC & state executive expenses	7,075	11,968
Sub-branch expenses	20,275	11,808
Other meeting expenses	47,569	22,966
	293,720	46,742
Note 9: Penalties		
RO Act and Regulations penalties	-	-
Other penalties	4,586	1,955
	4,586	1,955
Note 10: Depreciation of property, plant & equipment		
Motor vehicles depreciation	258,909	225,805
Plant and equipment depreciation	36,554	20,552
	295,463	246,357
Note 11: Officers and employee expenses		
Holders of Office:		
Wages & salaries	1,151,791	796,371
Superannuation	172,280	160,228
Redundancy Fund	30,286	11,400
Leave and other entitlements	94,453	(12,358)
Other employee expenses	139,417	6,026
	1,588,227	961,667

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 2016

	2016	2015
	\$	\$
Note 11: Officers and employee expenses (contd)		
Employees other than office holders:		
Wages & Salaries	4,013,534	4,060,286
Superannuation	712,721	639,987
Redundancy Fund	147,230	154,407
Leave and other entitlements	295,477	232,319
Other employee expenses	(60,348)	49,562
	5,108,614	5,136,561
	6,696,841	6,098,228
Note 12: Other operating costs		
Administration expenditure	185,304	137,322
Advertising & marketing	231,795	141,092
Aged auxiliary	10,547	13,372
Communications	96,962	116,636
Computer expenses	26,917	19,355
Conference expenses	29,900	15,899
Fringe Benefits Tax	158,044	218,895
Insurance	883	883
International delegates	-	24,137
Labour Day expenses	99,040	89,833
Motor vehicle expenses	324,281	339,509
Organising expenses	644,894	456,219
Payroll Tax	327,227	320,734
Postage	105,255	98,481
Printing and stationery	157,024	132,260
Publication Expenses	95,170	64,065
Rent paid	643,248	609,017
Subscriptions	6,622	1,643
Training	23,002	13,776
Impairment Counselling & delivery costs	42,403	-
Workers Compensation	37,901	19,788
	3,246,419	2,832,916

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 2016

	2016 \$	2015 \$
Note 13: Cash and cash equivalents		
Petty cash on hand	4,643	4,300
Debit card	-	343
Main account	259,906	257,116
CBA training account	276,100	3
CBA term deposit	6,668,373	7,000,000
Business Internet Saver account	732,318	2,486,980
	7,941,340	9,748,742
<p>The effective interest rate on bank deposits was 2.35% (2015: 2.85%); these deposits have an average maturity of 3 months.</p>		
Note 14: Receivables		
<i>Current</i>		
Interest receivable	17,280	17,809
Membership dues	832,095	792,444
Grants receivable	1,004,700	-
Other receivables	558,848	292,976
Receivables from Other Reporting Units		
CFMEUQ	771,170	-
CFMEU C&G National Office	7,403	-
CFMEU M&E QLD	120,414	-
	3,311,910	1,103,229
Less: Provision for impairment of receivables	(410,511)	(434,713)
Total current receivables	2,901,399	668,516
<i>Non-current</i>		
Receivables from other reporting units		
CFMEUQ	2,952,137	3,202,137
Total non-current receivables	2,952,137	3,202,137
Total Receivables	5,853,536	3,870,653

No provision for doubtful debt has been raised against related balances shown.

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 2016

	2016 \$	2015 \$
Note 15: Property, Plant and Equipment		
Motor vehicles - at cost	1,508,364	1,354,447
Less: accumulated depreciation	(369,107)	(357,834)
	1,139,257	996,613
Plant and equipment - at cost	187,741	130,546
Less: accumulated depreciation	(63,301)	(29,940)
	124,440	100,606
	1,263,697	1,097,219
Movements in carrying amounts		
<i>Motor vehicles</i>		
Balance at beginning of year	996,613	819,429
Additions	737,170	530,462
Disposals (WDV)	(305,015)	(98,338)
Depreciation expense - Note 10	(258,909)	(225,805)
Depreciation - Apprentice Scheme	(30,602)	(29,135)
	1,139,257	996,613
<i>Plant & equipment</i>		
Balance at beginning of year	100,606	54,269
Additions	61,969	69,778
Disposals (WDV)	(1,581)	(2,889)
Depreciation expense - Note 10	(36,554)	(20,552)
	124,440	100,606
Note 16: Trade and other payables		
Trade payables and accruals	758,222	1,876,371
Payable to other reporting units		
CFMEU C&G National Office	450	437,421
CFMEU FFPD National Office	180	5,750
Legal costs		
Litigation	24,471	286,091
Settlements	1,000,000	1,000,000
Other legal	-	-
Voluntary collections - ADSS	58,290	60,940
Consideration to employers for payroll deductions	-	-
	1,841,613	3,666,573

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 2016

	2016	2015
	\$	\$
Note 17: Provisions		
<i>Employee entitlements:</i>		
Opening Balance at 1 January	1,853,508	1,875,037
Staff transferred in	-	39,092
Additional provisions raised during year		
General fund	389,930	219,961
Apprentice Scheme	8,238	(9,686)
Amounts used	(54,445)	(270,896)
Balance at 31 December	2,197,231	1,853,508
Holdings of office:		
Annual leave	83,628	59,059
Long service leave	350,928	281,044
Separations and redundancies	-	-
Other employee provisions	-	-
Total holders of office	434,556	340,103
Employees other than holders of office:		
Annual leave	744,930	585,525
Long service leave	1,017,745	887,109
Separations and redundancies	-	-
Other employee provisions	-	-
Total employees other than holders of office	1,762,675	1,472,634
Total Officers and Employee Entitlements Provision	2,197,231	1,812,737
<i>Impairment Rehabilitation:</i>		
Opening Balance at 1 January	-	-
Additional provisions raised during year		
Training revenue surplus	49,282	-
Balance at 31 December	49,282	-
<i>Analysis of provisions:</i>		
Current	1,669,391	1,373,370
Non-current	577,122	480,138
	2,246,513	1,853,508

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 2016

	2016	2015
	\$	\$
Note 18: Revenue in advance		
<i>Current</i>		
Apprentice Scheme Funding	1,403,783	2,725,324
Other revenue in advance	4,057,079	3,709,508
Total Current Revenue in Advance	5,460,862	6,434,832
<i>Non-Current</i>		
Apprentice Scheme Funding NC	572,695	566,342
Total Non-current Revenue in Advance	572,695	566,342
Total revenue in Advance	6,033,557	7,001,174

Note 19: Cash flow information

(a) Reconciliation of cash flow from operations with surplus after income tax

Surplus from ordinary activities after income tax	2,740,441	426,669
<i>Non-cash flows in ordinary activities</i>		
Depreciation expense - Note 10	295,463	246,357
Depreciation - Apprentice Scheme	30,602	29,135
Depreciation - Apprentice Scheme assets owned by CFMEL	-	17,407
(Gain)/Loss on sale of assets	(58,831)	(2,046)
Rent paid to CFMEUQ	-	-
<i>Changes in assets and liabilities</i>		
(Increase) decrease in receivables	(2,232,883)	78,438
(Increase) decrease in prepayments	1,090	(16,575)
(Decrease) in payables	(1,824,960)	(773,776)
Increase (decrease) in revenue in advance	(967,617)	473,577
Increase (decrease) in provisions	393,005	(21,529)
	(1,623,690)	457,657

(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

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

Within one year	-	2,167
After one year but not more than five years	-	-
More than five years	-	-
Total operating lease commitment	-	2,167

The above leases are rental in nature and the average lease term across leases is 5 years.

As at 31 December 2016 the Union did not have any capital expenditure commitments.

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 2016

Note 21: Contingent Liabilities

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

The Union has provided bank guarantees of \$500,000 (2015: Nil).

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 22: Events after the Reporting date

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

Note 23: Related Party Disclosures

	2016	2015
	\$	\$
(a) Related Party Transactions for the Reporting Period		
The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.		
Revenue received from CFMEUQ:	-	-
Expenses paid to CFMEUQ:		
Rent	607,931	644,216
Amounts owed by CFMEUQ:	771,170	-
Amounts owed to CFMEUQ:	-	-
Loans to CFMEUQ:	2,952,137	3,202,137

Terms and conditions of transactions with related parties

Related party transactions occur between the Union and its state registered equivalent the Construction, Forestry, Mining & Energy, Industrial Union of Employees, Queensland - State Construction & General Division (CFMEUQ).

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2016, the CFMEU QNTDB has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The loan provided to CFMEUQ receives a rate of interest of Nil% and is expected to be repaid within 5 years.

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 2016

Note 23: Related Party Disclosures (contd)

(b) Key management personnel remuneration for the reporting period:

	2016	2015
	\$	\$
Short term employee benefits		
Salary (including annual leave taken)	1,151,791	796,371
Annual leave accrued	24,569	(10,060)
Performance bonus	-	-
Other employee benefits	139,417	6,026
	<u>1,315,777</u>	<u>792,337</u>
Post employment benefits		
Superannuation	172,280	160,228
Redundancy fund	30,286	11,400
	<u>202,566</u>	<u>171,628</u>
Other long term benefits		
Long service leave	69,884	(2,298)
	<u>69,884</u>	<u>(2,298)</u>
Termination benefits	-	-
Total	<u>1,588,227</u>	<u>961,667</u>

Note 24: Financial Risk Management Policies

The Committee of Management monitors the Union's financial risk management policies and exposures and approves financial transactions within the scope of these policies.

The Committee of Management's overall risk management strategy seeks to assist the Union in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Union is exposed to through its financial instruments are credit risk, liquidity risk, and market risk consisting predominantly interest rate risk. There have been no substantive changes in the types of risks the Union is exposed to, how these risks arise, or the Committee's objectives, policies and processes for managing or measuring the risks from the previous period.

The Union's financial instruments are listed below.

Financial assets

Cash and bank	7,941,340	9,748,742
Receivables	2,901,399	668,516
	<u>10,842,739</u>	<u>10,417,258</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 2016

Note 24: Financial Risk Management (contd)

	2016	2015
	\$	\$
Financial liabilities		
Trade and Other Payables	1,841,613	3,666,573
	<u>1,841,613</u>	<u>3,666,573</u>

(a) 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.

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.

The other classes of receivables do not contain impaired assets.

	Gross Amount	Past Due and impaired	Past due but not impaired (days overdue)			
			<30	31-60	60-90	>90
	\$	\$	\$	\$	\$	\$
2016						
Membership dues	832,095	410,511	-	-	-	-
Monies owing by CFMEUQ	3,723,307	-	-	-	-	-
Other receivables	1,708,645	-	1,355,218	144,398	10,650	198,379
	<u>6,264,047</u>	<u>410,511</u>	<u>1,355,218</u>	<u>144,398</u>	<u>10,650</u>	<u>198,379</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 2016*

Note 24: Financial Risk Management (contd)**(a) Credit Risk (contd)**

	Gross Amount \$	Past Due and impaired \$	Past due but not impaired (days overdue)			
			<30 \$	31-60 \$	60-90 \$	>90 \$
2015						
Membership dues	792,444	434,713	-	-	-	-
Monies owing by CFMEUQ	3,202,137	-	-	-	-	-
Other receivables	310,785	-	310,785	-	-	-
	<hr/> 4,305,366	<hr/> 434,713	<hr/> 310,785	<hr/> -	<hr/> -	<hr/> -

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.

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Union manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

	Demand \$	< 1 year \$	Past due but not impaired (days overdue)			Total \$
			1-2 years \$	2-5 years \$	>5 years \$	
2016						
Trade payables & other accruals	1,841,613	-	-	-	-	1,841,613
	<hr/> 1,841,613	<hr/> -	<hr/> -	<hr/> -	<hr/> -	<hr/> 1,841,613
2015						
Trade payables & other accruals	3,666,573	-	-	-	-	3,666,573
	<hr/> 3,666,573	<hr/> -	<hr/> -	<hr/> -	<hr/> -	<hr/> 3,666,573

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 2016

Note 24: Financial Risk Management (contd)

(c) Market Risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Union is also exposed to earnings volatility on floating rate instruments.

The financial instruments that primarily expose the Union to interest rate risk are fixed interest securities, and cash and cash equivalents.

Sensitivity analysis

While the Union is exposed to changes in interest rates, due to the fact that any expected change in interest rates would have no significant impact on profit and loss or equity, no sensitivity analysis has been considered necessary.

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 25: Acquisition of assets/liabilities from an amalgamation/restructure

No assets or liabilities have been acquired during the current year as part of an amalgamation, restructure, change in the organisation, or by determination or revocation by the Committee of Management.

Note 26: Administration of financial affairs by a third party

There has been no administration of financial affairs by a third party.

Note 27: Financial Support

The Union has not agreed to provide financial support to another reporting unit to ensure it can continue as a going concern.

The Union has not received any agreed financial support from another reporting unit, in order to be able to 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 2016*

Note 28: 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 2016 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	Royce Kupsch	Total
	Divisional Branch Secretary	Divisional Branch President	
	\$	\$	\$
Salary and allowances	162,899	158,082	320,981
Movement in annual and long service leave provisions	37,006	15,119	52,125
Superannuation	25,014	28,140	53,154
Redundancy	5,400	-	5,400
	<hr/>	<hr/>	<hr/>
	230,319	201,341	431,660

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	8,095
Jade Ingham	Divisional Branch Assistant Secretary	6,455
		<hr/>
		14,550

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 24D, refer to note 23 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 29: 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 2016

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 17.5.2017 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 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:

17/5/17

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

Opinion

We have audited the accompanying financial report of Construction, Forestry, Mining and Energy Union, Construction and General Division, Queensland Northern Territory Divisional Branch which comprises the Statement of Financial Position as at 31 December 2016, Statement of Comprehensive Income, Statement of Changes in Equity, and the Statement of Cash Flows 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, Designated Officer Certificate and Operating Report.

The audit report has been prepared based on the requirements of section 257(1) of the *Fair Work (Registered Organisations) Act 2009*.

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 2016 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*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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 the Australian 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 and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee of Management either intends to liquidate the Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Union's financial reporting process.

Auditor's Responsibility

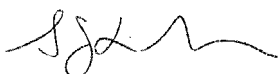
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Report on Other Regulatory Requirements

- a) The scope of our audit did extend to recovery of wages activity, however 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 & New Zealand who holds a current Public Practice Certificate.

PKF Hacketts

PKF Hacketts Audit

Shaun Lindemann
Partner


Brisbane, 25 May 2017

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

Designated Officer Certificate for the year ended 31 December 2016

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 period ended 31 December 2016 referred to in s.268 of the Fair Work (Registered Organisations) Act
- that the full report was provided to members of the reporting unit *2-6, 2017*; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on *16 June*, 2017 for the purposes of s.266 of the Fair Work (Registered Organisations) Act 2009.



Michael John Ravbar
Divisional Branch Secretary

Date: *16 June 17*

Construction, Forestry, Mining and Energy Union
Construction and General Division
Queensland Northern Territory Divisional Branch
Operating Report for the year ended 31 December 2016

The Committee of Management presents the Operating Report for the financial year ended 31 December 2016:

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

As at 31 December 2015, the Union had a net current liability position. There is no net current liability in the current year. The Union is of the opinion that accounts should be prepared on a going concern basis.

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>	
Paula Masters	Director	Buss(Q)	appointed 1 April 2015

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 18,751.

Number of Employees

The number of full-time equivalent employees of the Union at the end of the financial year was 54.2.

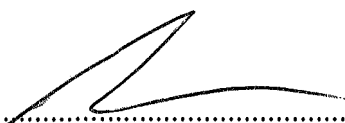
Construction, Forestry, Mining and Energy Union
Construction and General Division
Queensland Northern Territory Divisional Branch
Operating Report for the year ended 31 December 2016 (contd)

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 for the entire year.

- | | |
|---------------------|---------------------|
| * Steven Anderson | * Dallas Hunter |
| * Paul Barber | * Jade Ingham |
| * Andrew Clark | * Dean Kupsch |
| * Peter Close | * Royce Kupsch |
| * John Cummins | * Ian McKewin |
| * Bradley Daniel | * Keith Murphy |
| * Marcus Dittman | * Andrew Sutherland |
| * Anthony Dougherty | * Michael Ravbar |
| * Dallas Ezzy | * Wayne Scobie |
| * James Fissenden | * Thomas Smith |
| * Steven Gaske | * Shaun Weatherall |
| * Terrance Hamilton | * Bob Williams |
| * Kevin Heenan | * Patrick Maher |

Signed on behalf of the Committee of Management by:



.....

Michael John Ravbar
Divisional Branch Secretary

..... 17/5/17

Date