



FAIR WORK  
COMMISSION

19 September 2014

Mr Graham White  
Secretary, South Western District, Mining and Energy Division  
CFMEU  
636 Northcliffe Drive  
KEMBLA GRANGE NSW 2526

Sent to: [gwhite@umw.com.au](mailto:gwhite@umw.com.au)

Dear Mr White,

**Re: Lodgement of financial statements and accounts - s268 Fair Work (Registered Organisations) Act - Construction, Forestry, Mining and Energy Union, Mining and Energy Division, South Western District - for year ended 31 December 2013 (FR2013/419)**

I refer to the financial report of the South Western District Branch of the Mining and Energy Division [‘the reporting unit’]. The documents were lodged with the Fair Work Commission on 15 May 2014. Signed copies of the documents were lodged on 12 September 2014, and an amended Operating report was lodged today. 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 December 2014 may be subject to an advanced compliance review.

The Reporting Guidelines that will apply to the next report were issued on 13 June 2014 and are available at <https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>.

Should you require information on the financial reporting requirements of the Act, I may be contacted on 6723 7237 or by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au).

Yours sincerely

Stephen Kellett  
Senior Adviser, Regulatory Compliance Branch

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Operating Report

31 December 2013

The Committee of Management present their report on Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District for the financial year ended 31 December 2013.

## General information

### Information on Committee of Management

The names of each person who has been on the committee of management during the year and to the date of this report are:

<b>Name</b>	<b>Position</b>	<b>Period of Appointment</b>
Mr A Honeysett	District President	1/1/13 - 31/12/13
Mr G White	District Secretary	1/1/13 - 31/12/13
Mr G Braes	District Vice President - Metalliferous	1/1/13 - 31/12/13
Mr G Osborne	District Vice President - West	1/1/13 - 31/12/13
Mr R Timbs	District Vice President - South	1/1/13 - 31/12/13
Mr W Small	Central Councillor - West	1/1/13 - 31/12/13
Mr D McLachlan	Central Councillor - South	1/1/13 - 31/12/13
Mr A Giddings	BOM Member	1/1/13 - 31/12/13
Mr B Reeves	BOM Member	1/1/13 - 31/12/13
Mr B Neall	BOM Member	1/1/13 - 31/12/13
Mr L Webb	BOM Member	1/1/13 - 31/12/13
Mr J Platts	BOM Member	1/1/13 - 31/12/13
Mr M Jenkins	BOM Member	1/1/13 - 31/12/13
Mr A Heeley	BOM Member	1/1/13 - 31/12/13
Mr C Carberry	BOM Member	1/1/13 - 31/12/13

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Operating Report

**31 December 2013**

### Principal activities

The principal activities of Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District during the financial year were:

- Implementation of Divisional Executive Decisions.
- Maintenance of Union Rules, Registrations and Affiliations.
- Organising Executive Meetings and Divisional Conferences as well as National Safety Officer Meetings.
- Conducting Activities for Parliamentary, Divisional and Divisional Branch elections, including assisting with statutory requirements.
- Co-ordinating seminars / education courses for Lodge Officers to inform them of current developments or to seek collective input in the development of national policies.
- Representing the Division's interest on various national committees and organisations.
- Co-ordinating the involvement of the Union in relevant international trade union bodies and conferences.
- Responsibility for servicing national awards and enterprise agreements and maintaining related information services. Divisional Office also advises Lodges on industrial matters.
- Provision to Lodges with economic and industrial research.
- Provision to Lodges of assistance with administration and financial management.
- Co-ordinating O H & S nationally and maintaining a national policy database and information service.
- Leading the conduct of legal action launched in defence of the Division's constitutional work.
- Provision of a National Training Agenda by representing the Union on various Boards and Committees

### Operating results and review of operations for the year

The profit of the Union amounted to \$ 323,399 (2012: \$ 352,699).

A review of the operations and the results of the Union is performed monthly in the meetings of the Executive Officers and quarterly by the Committee of Management. Additionally, such matters are considered at regular meetings of the General Officers of the Union.

### Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Union during the year.

### Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in future financial years.

### Right of members to resign

All members of the Union have the right to resign in accordance with Rule 5(iv)(a) of the Union Rules [and section 174 of the Fair Work (Registered Organisations) Act 2009], namely, by providing written notice addressed and delivered to either the District Secretary, or a Lodge Secretary or authorised delegate.

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Operating Report

31 December 2013

### Superannuation Trustees

Mr G Osborne is an executive of the Union and holds a directorship of Auscoal Superannuation and Auscoal Services Pty Ltd.

No other officer or member of the Union acts:

- i) as a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- ii) as a director of a union that is a trustee of a superannuation entity or an exempt public sector

### Number of members

There were 4,052 members of the Union as at 31 December 2013 (2012: 4,312).

### Number of employees

As at 31 December 2013 the Union had 12 employees (2012: 12).

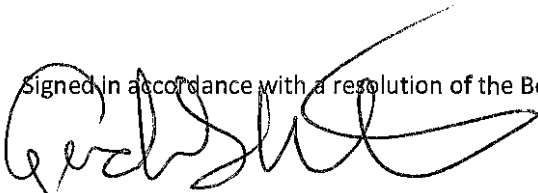
### Officers and employees who are directors of a union or a member of a board

Graeme Osbourne is a director of Westfund Pty Ltd, Auscoal Superannuation, Auscoal Services Pty Ltd and Newcom Colliery Employees Credit Union

Graham White is a director of The Trade Union Centre

Greg Braes is a director of Barrier Industrial Council, Trades Hall Trust Board and Barrier Daily Truth

Signed in accordance with a resolution of the Board of Management:



Graham White  
District Secretary

Dated 24 March 2014



**THE UNITED MINeworkERS  
SOUTH WESTERN DISTRICTS**  
(Division of the Construction, Forestry, Mining and Energy Union)  
ABN 49 954 293 181

636 Northcliff e Drive  
KEMBLA GRANGE NSW 2526  
PHE (02) 4271 7577 FAX: (02) 4271 7677  
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52 Eskbank Street  
LIGHGOW NSW 2790  
PHE (02) 6351 3287 FAX: (02) 6352 3229  
Email: umfa@umfa.com.au



**CERTIFICATE BY PRESCRIBED DESIGNED OFFICER**  
S268 Fair Work (Registered Organisations) Act 2009

1, Graham White, a prescribed designated officer of the South Western District Branch, Mining Division, CFMEU, certify that the financial statements and accounts for the year ended 31<sup>st</sup> December 2013 lodged with Fair Work Australia on 15<sup>th</sup> May 2014 are:

- Copies of the full report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*
- Copies of the documents provided to the members on or from 27<sup>th</sup> March 2014
- Subsequently presented to a meeting (or series of meetings) in accordance with section 266 on 7th May 2014

Signature \_\_\_\_\_

Position – District Secretary

Dated 15.05.14

# **Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District**

**ABN: 49 954 293 181**

## **Financial Statements**

**For the Year Ended 31 December 2013**

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

For the Year Ended 31 December 2013

## Financial Statements

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# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Operating Report

31 December 2013

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## General information

### Information on Committee of Management

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# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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31 December 2013

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### Operating results and review of operations for the year

#### Operating results

The profit of the Union amounted to \$ 323,399 (2012: \$ 352,699).

#### Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Union during the year.

#### Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in future financial years.

#### Right of members to resign

All members of the Union have the right to resign in accordance with Rule 5(iv)(a) of the Union Rules [and section 174 of the Fair Work (Registered Organisations) Act 2009], namely, by providing written notice addressed and delivered to either the District Secretary, or a Lodge Secretary or authorised delegate.

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Operating Report

31 December 2013

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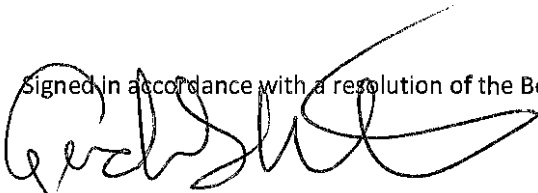
### Officers and employees who are directors of a union or a member of a board

Graeme Osbourne is a director of Westfund Pty Ltd, Auscoal Superannuation, Auscoal Services Pty Ltd and Newcom Colliery Employees Credit Union

Graham White is a director of The Trade Union Centre

Greg Braes is a director of Barrier Industrial Council, Trades Hall Trust Board and Barrier Daily Truth

Signed in accordance with a resolution of the Board of Management:



Graham White  
District Secretary

Dated 24 March 2014

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Committee of Management Statement

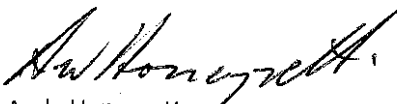
### For the year ended 31 December 2013

On the 24 March 2014 the Committee of Management of the Construction Forestry Mining and Energy Union - Mining and Energy Division passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 31 December 2013:

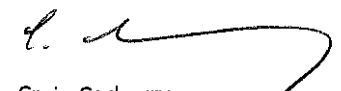
The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPRF 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) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (v) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) there have been no recovery of wages activities that have occurred in the reporting period.

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

  
Andy Honeysett  
District President

  
Adam Giddings  
Board of Management

  
Craig Carberry  
Board of Management

Dated 24 March 2014

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2013

	Note	2013 \$	2012 \$
Revenue	2	4,318,397	4,607,087
Other income	2	307,412	278,411
Employee benefits expense		(1,985,853)	(2,069,637)
Depreciation and amortisation expense		(137,097)	(134,754)
Capitation fees		(1,416,407)	(1,474,586)
Affiliation fees		(25,263)	(13,037)
Administration expenses		(242,309)	(256,821)
Donations		(14,524)	(2,526)
Professional fees		(23,645)	(29,155)
Loss on disposal of fixed assets		(43,853)	-
Share of profit/(loss) of associate		788	(54,161)
Other expenses		(414,247)	(498,122)
<b>Result for the year</b>		<b>323,399</b>	<b>352,699</b>
<b>Other comprehensive income:</b>			
Net (loss)/gains on available for sale financial assets		(1,245)	24
<b>Total comprehensive income for the year</b>		<b>322,154</b>	<b>352,723</b>

The accompanying notes form part of these financial statements.

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

## Balance Sheet

31 December 2013

	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	1,362,696	985,364
Trade and other receivables	5	225,111	298,118
Other financial assets	6	1,228,176	822,325
Other assets	7	66,672	62,170
<b>TOTAL CURRENT ASSETS</b>		<b>2,882,655</b>	<b>2,167,977</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	300	300
Investments accounted for using the equity method	17	1,116,208	1,115,420
Property, plant and equipment	8	1,844,389	1,886,657
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,960,897</b>	<b>3,002,377</b>
<b>TOTAL ASSETS</b>		<b>5,843,552</b>	<b>5,170,354</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	519,036	425,904
Employee benefits	11	950,673	757,002
Other liabilities	10	190,948	132,973
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,660,657</b>	<b>1,315,879</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	11	11,871	5,605
<b>TOTAL LIABILITIES</b>		<b>1,672,528</b>	<b>1,321,484</b>
<b>NET ASSETS</b>		<b>4,171,024</b>	<b>3,848,870</b>
<b>EQUITY</b>			
Retained earnings		4,171,024	3,848,870
<b>TOTAL EQUITY</b>		<b>4,171,024</b>	<b>3,848,870</b>

The accompanying notes form part of these financial statements.

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Statement of Changes in Equity

For the Year Ended 31 December 2013

	Retained Earnings \$	Financial Assets Reserve \$	Total \$
<b>2012</b>			
Balance at 1 January 2012	3,495,097	1,050	3,496,147
Result for the year	352,699	-	352,699
Revaluation increment (decrement)	-	24	24
<b>Balance at 31 December 2012</b>	<b>3,847,796</b>	<b>1,074</b>	<b>3,848,870</b>
<b>2013</b>			
Balance at 1 January 2013	3,847,796	1,074	3,848,870
Result for the year	323,399	-	323,399
Revaluation increment (decrement)	-	(1,245)	(1,245)
<b>Balance at 31 December 2013</b>	<b>4,171,195</b>	<b>(171)</b>	<b>4,171,024</b>

The accompanying notes form part of these financial statements.

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# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Statement of Cash Flows

For the Year Ended 31 December 2013

	Note	2013 \$	2012 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from members		4,064,127	4,150,388
Interest received		66,670	92,358
Other receipts		1,027,560	1,023,106
Payments to suppliers and employees		(4,235,247)	(4,794,019)
Net cash provided by operating activities	19(a)	<u>923,110</u>	<u>471,833</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Payments for plant and equipment		(286,047)	(234,272)
Proceeds from sale of plant and equipment		147,362	146,988
Purchase of investments		(407,094)	(231,877)
Net cash used in by investing activities		<u>(545,779)</u>	<u>(319,161)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Net cash used by financing activities		-	-
Net increase in cash and cash equivalents held		377,331	152,672
Cash and cash equivalents at beginning of year		985,365	832,693
Cash and cash equivalents at end of financial year	4	<u>1,362,696</u>	<u>985,365</u>

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The accompanying notes form part of these financial statements.

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Notes to the Financial Statements

For the Year Ended 31 December 2013

The financial report covers Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District (A division of the Construction, Forestry, Mining & Energy Union - Mining & Energy Division) ("the Union") as an individual entity. The Union is an organisation of employees registered under the Fair Work (Registered Organisation) Act 2009 ("the RO Act"). In accordance with the RO Act, the Union is a body corporate and has perpetual succession, by virtue of this method of incorporation, the Union is not subject to the Corporations Act 2001.

### 1 Summary of Significant Accounting Policies

#### (a) Basis of preparation

The financial statements are a general purpose financial statements that has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australia Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements the Union is a not-for-profit entity.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Historical cost is generally based on the fair values of the consideration given in exchange for assets. The financial statements are presented in Australian Dollars.

#### (b) Comparative figures

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

#### (c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

#### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.



# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 1 Summary of Significant Accounting Policies (Continued)

##### (c) Property, plant and equipment (continued)

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Leasehold Improvements	5%
Plant and Equipment	20 - 50%
Office Equipment	20 - 50%
Motor Vehicles	25%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

##### (d) Financial instruments

###### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Union commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

###### Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 1 Summary of Significant Accounting Policies (Continued)

##### (d) Financial instruments (continued)

*Amortised cost* is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

The Union does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

##### (i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

##### (ii) 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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

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## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 1 Summary of Significant Accounting Policies (Continued)

##### (d) Financial instruments (continued)

###### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Union's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Union sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

###### (iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be sold within 12 months after the end of the reporting period.

###### (v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Union has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

##### Financial liabilities

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

Financial instruments are recognised initially using trade date accounting, i.e. on the date that Union becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 1 Summary of Significant Accounting Policies (Continued)

##### (d) Financial Instruments (Continued)

###### *Impairment of financial assets*

At the end of the reporting period the Union assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

###### **Financial assets at amortised cost**

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

###### **Available-for-sale financial assets**

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

###### **Derecognition of financial assets**

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

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 1 Summary of Significant Accounting Policies (Continued)

##### (e) Impairment of non-financial assets

At the end of each reporting period, the Union assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information and dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Value in use is calculated by discounting the estimated future cash flows of the asset or cash-generating unit (CGU) at a pre-tax discount rate reflecting the specific risks in the asset / CGU. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Union estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment losses recognised in respect of CGU's are allocated first to reduce the carrying amount of goodwill to nil and then to the other assets in the unit in proportion to their carrying amount.

##### (f) Investments in associates

An associate is an entity over which the union has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 'Non-current Asset Held for Sale and Discontinued Operations.' Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate exceeds the interest in that associate, the union discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

##### (g) Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 1 Summary of Significant Accounting Policies (Continued)

##### (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 due 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 are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

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

Provision is made for separation and redundancy benefit payments. Reporting Unit recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

##### (i) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that 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 property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

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 for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

##### (j) Revenue and other income

The Union recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District's activities as discussed below.

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 1 Summary of Significant Accounting Policies (Continued)

##### (j) Revenue and other income (continued)

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

##### Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

##### Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

##### Capitation fees

Revenue from the provision of capitation fees is recognised on a straight line basis over the financial year.

All revenue is stated net of the amount of goods and services tax (GST).

##### (k) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

##### (l) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 1 Summary of Significant Accounting Policies (Continued)

##### (m) Adoption of new and revised accounting standards

During the current year, the following standards became mandatory and have been adopted retrospectively by the Union:

- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 13 *Fair Value Measurement*
- AASB 128 *Investment in Associates and Joint Ventures*

AASB 12 *Disclosure of Interests in Other Entities* includes all disclosures relating to an entity's interest in associates, joint arrangements, subsidiaries and structured entities. On adoption of AASB 12, additional disclosures have been included in the financial statements in relation to investments held.

AASB 13 *Fair Value Measurement* does not change what and when assets or liabilities are recorded at fair value. It provides guidance on how to measure assets and liabilities at fair value, including the concept of highest and best use for non-financial assets. AASB 13 has not changed the fair value measurement basis for any assets or liabilities held at fair value, however additional disclosures on the methodology and fair value hierarchy have been included in the financial statements.

##### (n) Grants

Government grants are not recognised until there is reasonable assurance that the Union will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Union recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Union should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Union with no future related costs are recognised in profit or loss in the period in which they become receivable.



# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 1 Summary of Significant Accounting Policies (Continued)

##### (o) Income tax

No provision for income tax is necessary, as the union (being a registered Industrial Trade Union) is exempt from tax under s.50-15 of the Income Tax Assessment Act.

##### (p) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the Company:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	30 June 2016	Changes to the classification and measurement requirements for financial assets and financial liabilities.  New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been released.
AASB 13 Fair Value Measurement.  AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	30 June 2014	AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted.  There are a number of additional disclosure requirements.	Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required.  The entity has not yet determined the magnitude of any changes which may be needed.  Some additional disclosures will be needed.

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Notes to the Financial Statements

For the Year Ended 31 December 2013

### 2 Revenue and other income

#### Revenue from continuing operations

	2013	2012
	\$	\$
<b>Revenue</b>		
Administration fees	141,567	154,949
Site rental income	304,193	332,573
Membership subscriptions	3,738,822	3,817,241
Interest received	68,815	65,622
Grants received	65,000	80,000
Reimbursed expenses	-	52,200
Long service leave - National Office	-	104,502
Capitation fees	-	-
Levies received	-	-
	<u>4,318,397</u>	<u>4,607,087</u>
<b>Other revenue</b>		
Profit on sale of fixed asset	-	11,615
Rental income	243,853	187,747
Other income	63,559	79,049
	<u>307,412</u>	<u>278,411</u>
<b>Total Revenue</b>	<u>4,625,809</u>	<u>4,885,498</u>

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### 3 Result for the year

(a) The result for the year includes the following specific expenses

	2013 \$	2012 \$
<b>Employee expenses</b>		
<b>Holders of office:</b>		
- Wages and salaries	1,271,118	1,398,258
- Superannuation	112,897	109,262
- Leave and other entitlements	203,758	162,313
- Separation and redundancies	-	-
- Other employee expenses	75,003	81,213
	<u>1,662,776</u>	<u>1,751,046</u>
<b>Employees other than office holders:</b>		
- Wages and salaries	263,289	265,970
- Superannuation	24,921	21,268
- Leave and other entitlements	20,585	16,205
- Separation and redundancies	-	-
- Other employee expenses	14,282	15,148
	<u>323,077</u>	<u>318,591</u>
<b>Total employee expenses</b>	<u>1,985,853</u>	<u>2,069,637</u>
<b>Capitation fees</b>	<u>1,416,407</u>	<u>1,474,586</u>
<b>Affiliation fees</b>		
- ALP NSW	16,725	-
- Broken Hill Trades Hall	3,600	3,600
- Barrier Industrial Council	4,938	5,388
- Labour Council of NSW	-	4,049
	<u>25,263</u>	<u>13,037</u>
<b>Administration expenses:</b>		
- Consideration to employers for payroll deductions	-	-
- Compulsory levies	-	-
- Conference and meeting expenses	5,258	4,352
- Fees/allowances - meeting and conferences	-	26,092

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

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## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 3 Result for the year (Continued)

(a) The result for the year includes the following specific expenses (Continued)

	2013	2012
	\$	\$
<b>Grants or Donations</b>		
- Grants	-	-
- Donations	14,524	25,526
	<u>14,524</u>	<u>25,526</u>
<b>Depreciation and amortisation</b>		
- Land and buildings	44,922	44,922
- Property, plant and equipment	92,175	89,832
	<u>137,097</u>	<u>134,754</u>
<b>Legal costs:</b>		
- Litigation	-	-
- Other legal matters	943	6,755
	<u>943</u>	<u>6,755</u>
Loss on disposal of fixed assets	43,853	-
Penalties - via RO Act or RO Regulations	-	-

#### 4 Cash and cash equivalents

Cash on hand	2,070	1,920
Cash at bank	1,360,626	983,444
	<u>1,362,696</u>	<u>985,364</u>

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 5 Trade and other receivables

	2013 \$	2012 \$
<b>CURRENT</b>		
Trade receivables	26,679	68,369
Other receivables	198,432	229,749
	<u>225,111</u>	<u>298,118</u>
<b>NON-CURRENT</b>		
Deposits refundable	<u>300</u>	<u>300</u>

#### (a) Credit risk - Trade and Other Receivables

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 within 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)				Within initial trade terms \$
			< 30 \$	31-60 \$	61-90 \$	> 90 \$	
<b>2013</b>							
Trade and term receivables	26,769	-	-	-	-	-	26,769
Total	<u>26,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,769</u>
<b>2012</b>							
Trade and term receivables	68,369	-	-	-	-	-	68,369
Total	<u>68,369</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,369</u>

#### (b) Receivable from other reporting units

-

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

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## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 6 Other financial assets

	2013	2012
Note	\$	\$
<b>CURRENT</b>		
Available for sale financial assets	(a) 447	1,689
Held-to-maturity financial assets	(b) 1,227,729	820,636
Total current assets	<u>1,228,176</u>	<u>822,325</u>
<b>(a) Available-for-sale financial assets comprise:</b>		
Listed investments, at fair value		
- shares in listed corporations	<u>447</u>	<u>1,689</u>
<b>(b) Held-to-maturity investments comprise:</b>		
Term deposits held with financial institutions	<u>1,227,729</u>	<u>820,636</u>

#### 7 Other assets

<b>CURRENT</b>		
Prepayments	<u>66,672</u>	<u>62,170</u>

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 8 Property, plant and equipment (continued)

##### LAND AND BUILDINGS

##### Caravan park holiday centre

At cost	480,085	480,085
Accumulated depreciation	(329,404)	(316,995)
	<u>150,681</u>	<u>163,090</u>

##### Land and buildings

At cost	1,664,647	1,664,647
Accumulated depreciation	(299,807)	(268,917)
	<u>1,364,840</u>	<u>1,395,730</u>

##### Leasehold improvements

At cost	55,960	55,960
Accumulated depreciation	(52,452)	(50,829)
	<u>3,508</u>	<u>5,131</u>

##### Total land and buildings

<u>1,519,029</u>	<u>1,563,951</u>
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##### PLANT AND EQUIPMENT

##### Motor vehicles

At cost	232,545	244,029
Accumulated depreciation	(50,274)	(27,425)
	<u>182,271</u>	<u>216,604</u>

##### Office equipment

At cost	312,070	283,582
Accumulated depreciation	(247,102)	(225,269)
	<u>64,968</u>	<u>58,313</u>

##### Caravan part machinery and equipment

At cost	204,295	163,753
Accumulated depreciation	(126,174)	(115,964)
	<u>78,121</u>	<u>47,789</u>

##### Total plant and equipment

<u>325,360</u>	<u>322,706</u>
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##### Total property, plant and equipment

<u>1,844,389</u>	<u>1,886,657</u>
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# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 8 Property, plant and equipment (continued)

##### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and buildings	Motor Vehicles	Office furniture & equipment	Caravan park machinery & equipment	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2012	1,609,882	181,570	77,345	53,715	1,922,512
Additions	-	229,530	1,438	3,304	234,272
Disposals	-	(135,373)	-	-	(135,373)
Depreciation expense	(45,931)	(59,123)	(20,470)	(9,230)	(134,754)
<b>Balance at 31 December 2012</b>	<b>1,563,951</b>	<b>216,604</b>	<b>58,313</b>	<b>47,789</b>	<b>1,886,657</b>
Balance at 1 January 2013.	1,563,951	216,604	58,313	47,789	1,886,657
Additions	-	217,014	28,488	40,542	286,044
Disposals	-	(191,215)	-	-	(191,215)
Depreciation expense	(44,922)	(60,132)	(21,833)	(10,210)	(137,097)
<b>Balance at 31 December 2013</b>	<b>1,519,029</b>	<b>182,271</b>	<b>64,968</b>	<b>78,121</b>	<b>1,844,389</b>

	2013	2012
	\$	\$
<b>9 Trade and other payables</b>		
CURRENT		
Trade payables	266,785	152,459
Other payables	252,251	273,445
	<b>519,036</b>	<b>425,904</b>
<b>(a) Payables to other reporting entities</b>		
CFMEU Mining and Energy National Office	266,785	152,459
<b>(b) Amounts included in other payables</b>		
Legal fees payable	-	6,755
Consideration to employers for payroll deductions	-	-



# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 10 Other liabilities

##### CURRENT

Amounts received in advance	142,012	80,408
Funds held in trust	48,936	52,565
	<u>190,948</u>	<u>132,973</u>

#### 11 Employee benefits

##### CURRENT

Employee benefits expense	<u>950,673</u>	<u>757,002</u>
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##### NON-CURRENT

Employee benefits expense	<u>11,871</u>	<u>5,605</u>
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#### (a) Total employee benefits attributable to:

##### Office Holders:

- Annual leave	335,456	307,920
- Long service leave	-	-
- Separation and redundancies	156,098	115,071
- Other	373,576	262,612
	<u>865,130</u>	<u>685,603</u>

##### Employees other than office holders:

- Annual leave	25,249	23,177
- Long service leave	44,046	34,060
- Separation and redundancies	-	-
- Other	28,119	19,767
	<u>97,414</u>	<u>77,004</u>

<b>Total</b>	<u>962,544</u>	<u>762,607</u>
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# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 12 Reserves

##### (a) Financial asset reserve

Change in the fair value of available for sale investments are recognised in other comprehensive income - financial asset reserve. Amounts are reclassified to profit or loss on disposal of the investment or when an impairment arises.

#### 13 Capital and leasing commitments

##### (a) Operating lease commitments

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

	2013	2012
	\$	\$
Payable - minimum lease payments:		
- no later than 1 year	80,231	80,231
- between 1 year and 5 years	250,840	268,361
- greater than 5 years	752,518	815,228
	<u>1,083,589</u>	<u>1,163,820</u>

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a maximum term of twenty years. Increases in lease commitments may occur in line with the Consumer Price Index (CPI).

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 14. Financial Risk Management

##### Credit risk

The main risks Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk. The Union's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		2013	2012
		\$	\$
<b>Financial Assets</b>			
Cash and cash equivalents	4	1,362,696	985,364
Held-to-maturity investments	6	1,227,729	820,636
Trade and other receivables	5	225,411	298,418
Available-for-sale financial assets:			
Shares in listed corporations - at fair value	6	447	1,689
		<u>447</u>	<u>1,689</u>
<b>Total financial assets</b>		<u><b>2,816,283</b></u>	<u><b>2,106,107</b></u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables	9	519,036	425,904
- Borrowings		-	-
<b>Total financial liabilities</b>		<u><b>519,036</b></u>	<u><b>425,904</b></u>

The table/s below reflect an undiscounted contractual maturity analysis for financial liabilities.

The timing of cashflows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the balance sheet due to the effect of discounting.

##### *Financial liability maturity analysis – Non-derivative*

	Within 1 year		Total	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>				
Trade and other payables	519,036	425,904	519,036	425,904

The timing of expected outflows is not expected to be materially different from contracted cashflows.

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 14 Financial risk management (Continued)

##### Credit risk (Continued)

##### Market Risk -Cash flow interest rate sensitivity

The Union is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Union to fair value interest rate risk.

The Union's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the Union is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +1% and -1% (2012: +1%/-1%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2013		2012	
	+ -%	- +%	+ -%	- +%
	\$	\$	\$	\$
<b>Cash and cash equivalents</b>				
Net results	19,225	(19,225)	15,831	(15,831)
Equity	19,225	(19,225)	15,831	(15,831)

##### Credit risk

Credit risk refers to the 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, derivative financial instruments and deposits with banks and financial institutions, as well as credit 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. The utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

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 credit quality, including those that are past due.

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 14 Financial risk management (Continued)

##### Credit risk (Continued)

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.

##### (a) Net income and expense from Financial Assets

	2013	2012
	\$	\$
<b>Held-to-maturity</b>		
Interest revenue	68,815	65,622
<b>Available for sale</b>		
Gain recognised in equity	(1,245)	24
<b>Total</b>	<u>67,570</u>	<u>65,646</u>

##### Net fair values

##### Fair value estimation

The fair values of financial assets and financial liabilities are disclosed in the balance sheet and notes to the financial statements. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

#### 15 Interests of Key Management Personnel

The totals of remuneration paid to the key management personnel of Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District during the year are as follows:

##### Short-term employee benefits

Salary (including annual leave taken)	1,315,857	1,287,542
Leave accrued	194,393	199,676
	<u>1,510,250</u>	<u>1,487,218</u>

##### Post-employment benefits (Superannuation)

Other long term benefits	-	-
Termination benefits	41,027	14,009
	<u>1,664,174</u>	<u>1,610,146</u>

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 16 Remuneration of Auditors

	2013	2012
	\$	\$
Remuneration of the auditor of the Union, Daley & Co, for:		
- auditing or reviewing the financial report	12,150	11,750
- other services	10,552	10,650
	<u>22,702</u>	<u>22,400</u>

#### 17 Investments accounted for using the equity method

Interests in associates	<u>1,116,208</u>	<u>1,115,420</u>
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##### (a) Share of associate's balance sheet

Interests are held in the following associated Union:

	Note	Total assets		Total liabilities	
		2013	2012	2013	2012
		\$	\$	\$	\$
<b>Unlisted:</b>					
The Trade Union Centre Wollongong Pty Ltd:	(i)	<u>1,121,742</u>	<u>1,122,055</u>	<u>(5,534)</u>	<u>(6,636)</u>

Revenues		Profit		Ownership interest	
2013	2012	2013	2012	2013	2012
\$	\$	\$	\$	%	%
<u>56,004</u>	<u>56,137</u>	<u>788</u>	<u>(54,163)</u>	<u>49.78</u>	<u>49.78</u>

Carrying amount of investment

2013	2012
\$	\$

<u>1,116,208</u>	<u>1,115,420</u>
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- i) The Union has a 49.78% interest in the Trade Union Centre Wollongong Pty Limited, which owns and operates an office building. This associate is a small proprietary union incorporated in Australia.

There were no impairment losses relating to the investment in the associate nor any capital commitments, contingent liabilities or other commitments

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 18 Related party transactions

##### Related Parties

##### (a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Board member (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 15: Key Management Personnel Compensation.

##### (b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

##### Associated companies

- i) Office space was rented from the Trade Union Centre Wollongong Pty Limited during the year. Commercial rent totalling \$58,057 (2012: \$56,057) were paid during the year.

##### Other related parties

- i) Capitation fees totalling \$1,416,407 (2012: \$1,474,586) were charged by the Construction, Forestry, Mining and Energy Union – Mining and Energy Division during the year.
- ii) An amount of \$18,000 (2012: \$16,364) was received from Construction, Forestry, Mining & Energy Union - Mining and Energy for hire of conference room.
- iii) From time to time the Union makes expenditures which relate to itself as well as other branches and divisions of the CFMEU. These expenditures are then reimbursed to the Union are cost hence they are not considered to be related party transactions.

# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 19 Cash Flow Information

(a) Reconciliation of net income to net cash provided by operating activities:	<b>2013</b>	<b>2012</b>
	\$	\$
<b>Result for the year</b>	<b>323,399</b>	352,699
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	<b>137,097</b>	134,754
- net loss/(gain) on disposal of plant and equipment	<b>43,857</b>	(11,615)
- share of (gain)/loss of associate	<b>(788)</b>	54,163
<b>Changes in assets and liabilities:</b>		
- (increase)/decrease in trade and other receivables	<b>70,903</b>	(6,324)
- (increase)/decrease in other assets	<b>(2,397)</b>	1,875
- increase/(decrease) in trade and other payables	<b>117,331</b>	(44,568)
- increase/(decrease) in income in advance	<b>33,773</b>	(49,192)
- increase/(decrease) in employee benefits	<b>199,935</b>	40,041
<b>Cashflow from operations</b>	<b>923,110</b>	<b>471,833</b>

#### (b) Cash flows information

##### Cash inflows from reporting units

- CFMEU Mining and Energy	<b>18,000</b>	16,364
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##### Cash outflows from reporting units

- CFMEU Mining and Energy	<b>1,302,081</b>	1,322,127
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#### 20 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.



# Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

ABN: 49 954 293 181

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## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 21 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or the General Manager of Fair Work Australia:

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)

#### 22 Recovery of wages activities

There has been no recovery of wages activities that have occurred in the reporting period.

**Independent Audit Report to the members of**

Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

**Report on the Financial Report**

We have audited the accompanying financial report of Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District, which comprises the balance sheet as at 31 December 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, the Committee of Management's Certificate and the Accounting Officer's Certificate.

**Committee of Management and Accounting Officer's Responsibility for the Financial Report**

The Committee of Management and the Accounting Officer are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisation) Act 2009, and for such internal control as management determines 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.

**Auditor's Responsibility**

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

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

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

**Independence**

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

**Independent Audit Report to the members of**

Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District

**Opinion**

In our opinion, the financial report presents fairly, in all material respects, the financial position, of Construction Forestry Mining and Energy Union Mining and Energy Division South Western District as at 31 December 2013, and of its financial performance and cash flows and for the year then ended, in accordance with:

- the Australian Accounting Standards; and
- any other requirements imposed by the Reporting Guidelines of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

The scope of our audit did extend to recovery of wages activity, however as noted in the Committee Management Statement, no such activity was undertaken during the reporting period.

I declare that I am an approved auditor, a member of the Institute of Chartered Accountants in Australia and hold a current Public Practice Certificate.

I declare that management's use of the going concern basis of accounting in preparation of the Union's financial statements is appropriate.

*Daley & Co.*  
Daley & Co  
Chartered Accountants

*Michael Mundt*  
Michael Mundt  
Partner FCA

Wollongong

Dated 24 March 2014

Liability is limited by a scheme approved under Professional Standards Legislation

**From:** KELLETT, Stephen  
**Sent:** Friday, 25 July 2014 3:15 PM  
**To:** 'gwhite@umw.com.au'  
**Cc:** 'MGeorge@umw.com.au'  
**Subject:** Financial report - 2013 - amendments

Dear Graham,

There are three issues with the 2013 report:

The first one should be resolved easily enough. There are no written signatures on the Committee of Management statement, the Operating Report and the Auditor's report (see attached) which FWC received. Can you clarify whether they were hand-signed? I'll request that you provide me hand-signed copies.

Secondly, I draw your attention to the Designated Officer's Certificate (see attached). It states that the report was presented to a meeting or series of meetings "*in accordance with section 266*" on 7 May 2014. You also state that you provided the report to the members on 7 May 2014, the same day.

We've previously discussed the question of making sure members are provided copies of the signed audited report at least 21 days before the last of the Lodge meetings held to endorse the District Board, as required by s265. It is a technicality due to the fact that the District Branch rules do not include a rule providing for 5% of the membership to be able to request a general meeting to consider the financial report.

Considering the fact that the financial statements and auditor's report appear to have been finalised as far back as 24 March, can you clarify whether the financial statements were made available/provided to the members earlier than 7 May 2014? If so, I'll request you re-do the Designated Officer's certificate showing the correct date the report was provided to the members.

Thirdly, I refer you to the Operating Report. The Branch was requested last year (see letter attached here), following the examination of the 2012 report, to include in future operating reports the following information or statement(s): a statement *describing or indicating* that it had reviewed *the results* of its principal activities; This was not reflected in the Branch's Operating report for 2013.

It is FWC policy that where a reporting unit has had its attention drawn to reporting issues, these must be rectified or addressed before a subsequent report is filed. I request that the Operating report which was attached be amended to include the omitted information.

I am happy to discuss or clarify any of the above, especially the issue of the presentation meeting in accordance with s266. I can be contacted on (02) 6723 7237 or 0429 462 979.

Yours sincerely,

STEPHEN KELLETT  
Regulatory Compliance Branch  
**FAIR WORK COMMISSION**

80 William Street  
EAST SYDNEY NSW 2011  
(ph) (02) 6723 7237 (email) [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au)



28 February 2014

Mr Graham White  
District Secretary  
Construction, Forestry, Mining and Energy Union-Mining and Energy Div. South Western Dist. Branch

Sent by email; [gwhite@umw.com.au](mailto:gwhite@umw.com.au)

Dear Mr White,

**Re: Lodgement of Financial Report - [FR2013/419]  
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Mining and Energy Division South Western District Branch of the Construction, Forestry, Mining and Energy Union (the reporting unit) ended on 31 December 2013.

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

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

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

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

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

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

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