



29 July 2015

Mr Lee Webb
District Secretary, South Western District Branch
Mining and Energy Division
Construction, Forestry, Mining and Energy Union

Sent by email: leewebb@umw.com.au

Dear Mr Webb

Re: Lodgement of financial accounts and statements - s268 *Fair Work (Registered Organisations) Act 2009* - Construction, Forestry, Mining and Energy Union, Mining and Energy Division, South Western District Branch - for year ended 31 December 2014 (FR2014/384)

I acknowledge receipt of the financial report for the South-Western District Branch. The documents were lodged with the Fair Work Commission on 22 July 2015. The financial report has 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 2015 may be subject to an advanced compliance review.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it assists in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).¹

¹ <https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

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

Yours sincerely

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

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

From: KELLETT, Stephen
Sent: Wednesday, 29 July 2015 3:25 PM
To: 'leewebb@umw.com.au'
Subject: Financial reporting - South Western District Branch - y/e 31 Dec 2014 - filing

Dear Lee,

Please see attached my letter in relation to the above.



CFMEU SWDT
FR2014 384 (primary)

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6746 3283
(email) stephen.kellett@fwc.gov.au

From: Lee Webb [<mailto:leewebb@umw.com.au>]

Sent: Wednesday, 22 July 2015 2:46 PM

To: Orgs

Subject: On CMS FR2014/384 FW: Financial Statement and Secretary's Certificate



UMW 2014 Financial
Statements.pdf



Secretary's Certificate
for FWA.pdf

Dear Sir,

Please find attached, the 2014 Financial Statement for the South Western District, Mining and Energy Division of the Construction, Forestry, Mining and Energy Union, and the Secretary's Certificate.

Should you require any further information please do not hesitate to contact me.

Kind Regards

Lee Webb
District Secretary



United Mine Workers South Western District
636 Northcliffe Drive
KEMBLA GRANGE NSW 2526
Phone: 02 42717577
Fax: 02 42717677
Mob: 0418469851



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

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SECRETARY'S CERTIFICATE

I, Lee Webb, being the Secretary of the South Western District of the Mining and Energy Division of the Construction, Forestry, Mining and Energy Union, certify,

- That the document lodged herewith is a copy of the full report referred to in the Fair Work (Registered Organisations) Act 2009, and
- That the full report was provided to the members on 12th June 2015 after adoption of the accounts by the Board of Management.
- That the full report was supplied to members by circulation at work site meetings held by members of the South Western District of the Construction, Forestry, Mining and Energy Union, the last meeting being on Saturday 18th July 2015, in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Lee Webb

District Secretary

22nd July 2015

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 2014

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

ABN: 49 954 293 181

Financial Statements

31 December 2014

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

ABN: 49 954 293 181

Operating Report

31 December 2014

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 2014.

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:

Name	Position	Period of Appointment
Mr A Honeysett	District President	1/1/14 - 31/12/14
Mr L Webb	District Secretary	7/11/14 - 31/12/14
Mr G White	District Secretary - Retired	1/1/14 - 7/11/14
Mr G Braes	District Vice President - Metalliferous	1/1/14 - 31/12/14
Mr G Osborne	District Vice President - West	1/1/14 - 31/12/14
Mr R Timbs	District Vice President - South	1/1/14 - 31/12/14
Mr W Small	Central Councillor - West	1/1/14 - 31/12/14
Mr D McLachlan	Central Councillor - South	1/1/14 - 31/12/14
Mr A Giddings	BOM Member	1/1/14 - 31/12/14
Mr B Reeves	BOM Member	1/1/14 - 31/12/14
Mr B Neall	BOM Member	1/1/14 - 31/12/14
Mr L Webb	BOM Member	1/1/14 - 7/11/14
Mr J Platts	BOM Member	1/1/14 - 31/12/14
Mr M Jenkins	BOM Member	1/1/14 - 31/12/14
Mr C Carberry	BOM Member	1/1/14 - 31/12/14
Mr K Witherspoon	BOM Member	8/12/14 - 31/12/14
Mr A Davey	BOM Member	9/12/14 - 31/12/14
Mr A Heeley	BOM Member	1/1/14 - 2/4/14

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

ABN: 49 954 293 181

Operating Report

31 December 2014

Principal activities

The principal activities of Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District ("the Union") 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

The following significant changes in the nature of the principal activities occurred during the financial year:

During the financial year, the District Lodges voted to centralise their reporting obligations, whereby management of their funds was to be passed onto the Union, affecting the financial performance of the Union. Refer to note 1 Significant Changes in the Current Reporting Period, 21(b) Contingent Liabilities and Contingent Assets for further details.

Operating results

The net surplus of the Union amounted to \$ 968,423 (2013: \$ 323,399).

Review of operations

A review of the operations and results of the Union is performed in the meetings of the Executive Officers and also at each meeting of the Divisional Executive. Additionally, such matters are considered at the regular meeting of the General Officers of the Union.

Events after the reporting date

Events after the reporting period are in relation to the centralisation of reporting obligations of the District Lodges with the Union. Refer to note for further information on this matter.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could 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

Operating Report

31 December 2014

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.

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 company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Number of members

There were 3,757 members of the Union as at 31 December 2014 (2013: 4,052)

Number of employees

As at 31 December 2014 the Union had 12 employees (2013: 12).

Officers and employees who are directors of a company or a member of a board

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

Graham White who held the position of Divisional Secretary until 7th November 2014 was 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 Committee of Management:



Lee Webb
District Secretary

Dated 30 March 2015

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

ABN: 49 954 293 181

Committee of Management Statement

For the Year Ended 31 December 2014

On the 30 March 2015 the Committee of Management of the Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2014:

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 GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of 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 Fair Work (Registered Organisations) Act 2009 ('The RO Act') and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit, have been kept, as far as practicable, in a manner consistent with 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 has been provided to the member or General Manager; and
 - (vi) 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) No revenue has been derived from undertaking recovery of wages activity during the period.

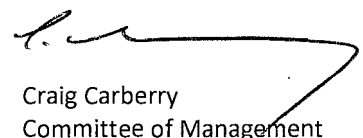
This declaration is made in accordance with a resolution of the Committee of Management.



Andy Honeysett
District President



Adam Giddings
Committee of Management



Craig Carberry
Committee of Management

Dated 30 March 2015

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 2014

		2014	2013
	Note	\$	\$
Revenue	4	4,469,475	4,318,397
Other income	4	1,294,399	307,412
Employee benefits expense	5	(2,183,842)	(1,930,638)
Depreciation and amortisation expense		(134,948)	(137,097)
Capitation fees		(1,259,046)	(1,416,407)
Affiliation fees		(15,300)	(25,263)
Administration expenses		(245,632)	(242,309)
Donations		(12,487)	(14,524)
Lodge expenses		(388,003)	-
Professional fees		(103,064)	(54,453)
Loss on disposal of fixed assets		(5,313)	(43,853)
Share of profit from associate		2,095	788
Other expenses		(449,911)	(438,654)
Net surplus for the year		968,423	323,399
Other comprehensive income			
Net gains (loss) on available for sale financial assets		-	(1,245)
Total comprehensive income for the year		968,423	322,154

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 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,508,878	1,362,696
Trade and other receivables	7	242,545	225,111
Other financial assets	8	1,890,732	1,228,176
Other assets	9	61,711	66,672
TOTAL CURRENT ASSETS		3,703,866	2,882,655
NON-CURRENT ASSETS			
Trade and other receivables	7	300	300
Interest in associates		1,118,303	1,116,208
Property, plant and equipment	10	1,811,960	1,844,389
TOTAL NON-CURRENT ASSETS		2,930,563	2,960,897
TOTAL ASSETS		6,634,429	5,843,552
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	562,175	519,036
Employee benefits	13	765,481	950,673
Other liabilities	12	147,594	190,948
TOTAL CURRENT LIABILITIES		1,475,250	1,660,657
NON-CURRENT LIABILITIES			
Employee benefits	13	19,732	11,871
TOTAL LIABILITIES		1,494,982	1,672,528
NET ASSETS		5,139,447	4,171,024
EQUITY			
Retained earnings		5,139,447	4,171,024
TOTAL EQUITY		5,139,447	4,171,024

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

Statement of Changes in Equity

For the Year Ended 31 December 2014

	Retained Earnings	Financial Assets Reserve	Total
	\$	\$	\$
Balance at 1 January 2013	3,847,796	1,074	3,848,870
Net surplus for the year	323,399	-	323,399
Revaluation increment (decrement)	-	(1,245)	(1,245)
Balance at 31 December 2013	<u>4,171,195</u>	<u>(171)</u>	<u>4,171,024</u>
Net surplus for the year	968,423	-	968,423
Balance at 31 December 2014	<u>5,139,618</u>	<u>(171)</u>	<u>5,139,447</u>

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

Statement of Cash Flows

For the Year Ended 31 December 2014

	2014	2013
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members	4,219,139	4,064,127
Interest received	83,476	66,670
Other receipts	1,806,091	1,027,560
Payments to suppliers and employees	(5,192,136)	(4,235,247)
Net cash provided by operating activities	23(a) <u>916,570</u>	<u>923,110</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for plant and equipment	(292,072)	(286,047)
Proceeds from sale of plant and equipment	184,240	147,362
Payment for held-to-maturity investments	(662,556)	(407,094)
Net cash used in investing activities	<u>(770,388)</u>	<u>(545,779)</u>
Net increase in cash and cash equivalents held	146,182	377,331
Cash and cash equivalents at beginning of year	1,362,696	985,365
Cash and cash equivalents at end of financial year	6 <u>1,508,878</u>	<u>1,362,696</u>

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

Notes to the Financial Statements

For the Year Ended 31 December 2014

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. Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District is a not-for-profit organisation.

The financial report was authorised for issue by the Committee of Management on 30 March 2015.

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

1. Basis of Preparation

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

The financial statements 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

Significant changes in the current reporting period

During the financial year, the District Lodges collectively voted to centralise their reporting obligations, whereby the management control of their funds would be passed onto the Union. This has positively affected the financial performance of the Union, but only to the extent these funds controlled (received) by the Union by 31 December 2014. As at balance date \$818,644 was brought to account as revenue on this basis (note 2).

As at balance date, some Lodges had not calculated or transferred the funds remaining in their Lodge. Not having management control of these entities nor the respective funds as at the balance date, they have not been brought to account. Noting that not all lodges have communicated their details of their funds held to the Union, there may be further material income received which is presently unable to be reliably measured [refer note 21(b)].

2. Summary of Significant Accounting Policies

(a) Property, plant and equipment

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

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 2014

2. Summary of Significant Accounting Policies (Continued)

(a) Property, plant and equipment (Continued)

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

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Union, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Leasehold Improvements	5%
Plant and Equipment	20-50%
Office Equipment	20-50%
Motor Vehicles	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(b) Financial instruments

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).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

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 2014

2. Summary of Significant Accounting Policies (Continued)

(b) Financial instruments (Continued)

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Union's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Union renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Union does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

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 2014

2. Summary of Significant Accounting Policies (Continued)

(b) Financial instruments (Continued)

The Union has some derivatives which are designated as financial assets at fair value through profit or loss.

Assets included within this category are carried in the balance sheet at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Union's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category.

All other available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in prior period consolidated statement of profit or loss and other comprehensive income statements resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

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 2014

2. Summary of Significant Accounting Policies (Continued)

(b) 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.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

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.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Union uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Union's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

(c) Impairment of non-financial assets

At the end of each reporting period the Union determines whether there is an evidence of an impairment indicator for non-financial assets.

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 2014

2. Summary of Significant Accounting Policies (Continued)

(c) Impairment of non-financial assets (Continued)

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(d) 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.

(e) Employee benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the balance sheet if the Union does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

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 2014

2. Summary of Significant Accounting Policies (Continued)

(f) Principles of Consolidation

Associates

Interests in associates, where the investor has significant influence over the investee, are accounted for using the equity method in accordance with AASB 128 *Investments in Associates and Joint Ventures*. Under this method, the investment is initially recognised as cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

(g) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. The lease is not recognised in the balance sheet.

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.

The minimum rental revenue of operating leases with fixed rental increases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised on a straight line basis.

Revenue from other leases is recognised in accordance with the lease agreement, which is considered to best represent the pattern of service rendered through the provision of the leased asset.

(h) 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.

(i) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Union and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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Notes to the Financial Statements

For the Year Ended 31 December 2014

2. Summary of Significant Accounting Policies (Continued)

(i) Revenue and other income (Continued)

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.

Lodge contributions

Lodge contributions are recognised when the Union's right to receive payment is established and the amount of the revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the Union.

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).

(j) 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.

(k) 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.

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 2014

2. Summary of Significant Accounting Policies (Continued)

(k) Goods and services tax (GST) (Continued)

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.

(l) 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.

(m) Adoption of new and revised accounting standards

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 reporting periods and have not been early adopted by the Union.

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(n) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Committee of Management have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Union.

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 2014

3. Critical Accounting Estimates and Judgments

The Committee of Management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Union assesses impairment at the end of each reporting period by evaluating conditions specific to the Union that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

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Notes to the Financial Statements

For the Year Ended 31 December 2014

4. Revenue and other income

Revenue from continuing operations

	2014	2013
	\$	\$
Revenue		
District membership dues	3,514,186	3,738,822
Lodge membership dues	309,845	-
Administration fees	175,939	141,567
Site Rental Income	321,619	304,193
Interest received	82,886	68,815
Grants received	65,000	65,000
Levies	-	-
Donations	-	-
	<u>4,469,475</u>	<u>4,318,397</u>
Other revenue		
Rental income	213,127	243,853
Initial Lodge contributions	818,644	-
Reimbursement long service leave - National Office	211,859	-
Other income	50,769	63,559
	<u>1,294,399</u>	<u>307,412</u>
Total revenue	<u>5,763,874</u>	<u>4,625,809</u>

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 2014

5. Result for the year

The result for the year includes the following specific expenses:

	2014	2013
	\$	\$
Employee benefits expense comprises:		
Holders of office:		
- Wages and salaries	1,309,041	1,271,118
- Superannuation	117,281	114,828
- Leave and other entitlements	(163,418)	179,350
- Separation and redundancies	463,032	-
- Other employee expenses	111,848	74,680
	<u>1,837,784</u>	<u>1,639,976</u>
Employees other than office holders		
- Wages and salaries	287,926	228,700
- Superannuation	29,420	27,175
- Leave and other entitlements	(13,913)	20,585
- Separation and redundancies	23,944	-
- Other employee expenses	18,681	14,202
	<u>346,058</u>	<u>290,662</u>
Total employee benefits expenses	<u>2,183,842</u>	<u>1,930,638</u>
Capitation fees	<u>1,259,046</u>	<u>1,416,407</u>
Affiliation fees		
- ALP NSW	8,859	16,725
- Broken hill trades hall	2,700	3,600
- Barrier industrial council	3,741	4,938
	<u>15,300</u>	<u>25,263</u>
Administration expenses		
- Consideration to employers for payroll deductions	-	-
- Compulsory levies	-	-
- Conference and meeting expenses	7,290	9,197
- Fees/ allowances - meeting and conferences	-	-

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 2014

5. Result for the year (Continued)

	2014	2013
	\$	\$
Grants or donations:		
- Grants - total paid that were \$1,000 or less	-	-
- Grants - total paid that were more than \$1,000	-	-
- Donations - total paid that were \$1,000 or less	7,717	11,524
- Donations - total paid that were more than \$1,000	4,770	3,000
	<u>12,487</u>	<u>14,524</u>
Depreciation and amortisation		
- Land and buildings	45,076	44,922
- Property plant and equipment	89,872	92,175
	<u>134,948</u>	<u>137,097</u>
Legal costs		
- Litigation	-	-
- Other legal matters	75,270	31,751
	<u>75,270</u>	<u>31,751</u>
Loss on disposal of fixed assets	5,313	43,853
Penalties - via RO act or RO regulations	-	-
6. Cash and cash equivalents		
Cash on hand	2,137	2,070
Cash at bank	1,506,741	1,360,626
	<u>1,508,878</u>	<u>1,362,696</u>

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Notes to the Financial Statements

For the Year Ended 31 December 2014

7. Trade and other receivables

	2014	2013
	\$	\$
CURRENT		
Trade receivables	9,754	26,679
Other receivables	232,791	198,432
	242,545	225,111
NON-CURRENT		
Deposits refundable	300	300

(a) Receivables from other reporting units

There were no receivables from other reporting units as at 31 December 2014.

(b) Provision for doubtful debts from other reporting units

Movement in provision for impairment of receivables is as follows:

Balance at beginning of the year	-	-
Balance at end of the year	-	-

8. Other financial assets

CURRENT

Available for sale financial assets	(a) 447	447
Held-to-maturity financial assets	(b) 1,890,285	1,227,729
	1,890,732	1,228,176

(a) Available-for-sale financial assets comprise:

Listed investments, at fair value		
- shares in listed corporations	447	447

(b) Held-to-maturity investments comprise:

Fixed interest term deposits	1,890,285	1,227,729
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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 2014

9. Other assets

	2014	2013
	\$	\$
CURRENT		
Prepayments	61,711	66,672

10. Property, plant and equipment

LAND AND BUILDINGS

Caravan park holiday centre

At cost

480,085

480,085

Accumulated depreciation

(341,813)

(329,404)

138,272

150,681

Land and buildings

At cost

1,664,647

1,664,647

Accumulated depreciation

(330,696)

(299,807)

1,333,951

1,364,840

Leasehold improvements

At cost

72,810

55,960

Opening balance - Owned

(53,221)

(52,452)

19,589

3,508

Total land and buildings

1,491,812

1,519,029

PLANT AND EQUIPMENT

Motor vehicles

At cost

244,142

232,545

Accumulated depreciation

(42,026)

(50,274)

202,116

182,271

Office equipment

At cost

273,456

312,070

Accumulated depreciation

(227,162)

(247,102)

46,294

64,968

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Notes to the Financial Statements

For the Year Ended 31 December 2014

10. Property, plant and equipment (Continued)

	2014	2013
	\$	\$
Caravan park machinery and equipment		
At cost	188,555	204,295
Accumulated depreciation	<u>(116,817)</u>	<u>(126,174)</u>
	<u>71,738</u>	<u>78,121</u>
Total plant and equipment	<u>320,148</u>	<u>325,360</u>
Total property, plant and equipment	<u>1,811,960</u>	<u>1,844,389</u>

(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 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)
Balance at 31 December 2013	<u>1,519,029</u>	<u>182,271</u>	<u>64,968</u>	<u>78,121</u>	<u>1,844,389</u>
Additions	16,850	261,669	9,670	3,883	292,072
Disposals	-	(182,895)	(6,463)	(195)	(189,553)
Depreciation expense	(44,067)	(58,930)	(21,881)	(10,070)	(134,948)
Balance at 31 December 2014	<u>1,491,812</u>	<u>202,115</u>	<u>46,294</u>	<u>71,739</u>	<u>1,811,960</u>

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Notes to the Financial Statements

For the Year Ended 31 December 2014

11. Trade and other payables

	2014	2013
	\$	\$
CURRENT		
Trade payables	327,365	266,785
Other payables	234,810	252,251
	<u>562,175</u>	<u>519,036</u>
(a) Payables to other reporting entities		
CFMEU Mining and Energy National Office	222,836	263,991
(b) Amounts included in other payables		
Legal fees payable	-	-
Consideration to employers for payroll deductions	-	-

12. Other liabilities

CURRENT		
Amounts received in advance	98,107	142,012
Funds held in trust	49,487	48,936
	<u>147,594</u>	<u>190,948</u>

13. Employee benefits

CURRENT		
Employee benefits expense	765,481	950,673
NON - CURRENT		
Employee benefits expense	19,732	11,871

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Notes to the Financial Statements

For the Year Ended 31 December 2014

13. Employee benefits (Continued)

(a) Total employee benefits attributable to:

	2014	2013
	\$	\$
Office Holders:		
- Annual leave	255,282	335,456
- Long service leave	-	-
- Separations and redundancies	122,794	156,098
- Other	322,071	373,576
	<u>700,147</u>	<u>865,130</u>
Employees other than office holders:		
- Annual leave	22,965	25,249
- Long service leave	44,046	44,046
- Separation and redundancies	-	-
- Other	18,055	28,119
	<u>85,066</u>	<u>97,414</u>
Total	<u><u>785,213</u></u>	<u><u>962,544</u></u>

14. Reserves

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.

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 2014

15. Capital and leasing commitments

Operating Leases

	2014	2013
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	87,527	80,231
- between one year and five years	309,017	250,840
- later than five years	737,224	752,518
	<u>1,133,768</u>	<u>1,083,589</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).

16. Lessor Commitments

Operating lease commitments receivable - Union as lessor

Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District leases out its investment property (included in property, plant and equipment) under commercial leases. These non-cancellable leases have terms between 1 and 12 years. All leases include an option for the Union to increase rent to current market rental on an annual basis.

The future minimum lease payments under non-cancellable leases are:

- no later than 1 year	101,885	136,995
- between 1 year and 5 years	63,986	165,871
Total minimum lease payments	<u>165,871</u>	<u>302,866</u>

17. Financial risk management

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.

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 2014

17. Financial risk management (Continued)

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:

		2014	2013
		\$	\$
Financial Assets			
Cash and cash equivalents	6	1,508,878	1,362,696
Held-to-maturity investments	8	1,890,285	1,227,729
Trade and other receivables	7	242,545	225,111
Available-for-sale financial assets:			
Shares in listed corporations - at fair value	8	447	447
Total financial assets		3,642,155	2,815,983
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	11	562,175	519,036
Total financial liabilities		562,175	519,036

(a) 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, deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

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

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

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit 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.

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Notes to the Financial Statements

For the Year Ended 31 December 2014

17. Financial risk management (Continued)

(b) 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.

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31-60	61-90	> 90	
	\$	\$	\$	\$	\$	\$	\$
2014							
Trade and term receivables	9,754	-	-	-	-	-	9,754
Other receivables	232,791	-	-	-	-	65,000	167,791
Total	242,545	-	-	-	-	65,000	177,545
2013							
Trade and term receivables	26,769	-	-	-	-	-	26,769
Other receivables	198,432	-	-	-	-	-	198,432
Total	225,201	-	-	-	-	-	225,201

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.

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 2014

17. Financial risk management (Continued)

(c) Liquidity Risk - Financial Liability

The timing of cash flows 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 the 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	
	2014	2013
	\$	\$
Financial liabilities due for payment		
Trade and other payables	<u>523,653</u>	<u>519,036</u>

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

(d) Market risk - Cash flow interest rate sensitivity

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(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.

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the end of the reporting period.

A 1% increase or decrease in interest rates would impact equity and profit or loss by the amounts shown below. This analysis assumes that other variables are held constant.

	Surplus/(deficit)		Equity	
	1% increase	1% decrease	1% increase	1% decrease
2014	22,447	(22,447)	22,447	(22,447)
2013	19,225	(19,225)	19,225	(19,225)

The sensitivity analysis is performed on the same basis as in 2013.

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Notes to the Financial Statements

For the Year Ended 31 December 2014

17. Financial risk management (Continued)

(e) Net income and expense from Financial Assets

	2014	2013
	\$	\$
Held-to-maturity		
Interest revenue	82,871	68,775
Available for sale		
Gain/(loss) recognised in equity	-	(1,245)
Total	<u>82,871</u>	<u>67,530</u>

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet.

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

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.

18. 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)	1,819,143	1,315,857
Leave accrued	<u>(80,267)</u>	194,393

Post-employment benefits (superannuation)

Other long term benefits	-	-
Termination benefits	<u>(33,305)</u>	41,027
	<u>1,823,362</u>	<u>1,664,174</u>

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Notes to the Financial Statements

For the Year Ended 31 December 2014

19. Remuneration of Auditors

	2014	2013
	\$	\$
Remuneration of the auditor of the union, Daley & Co, for:		
- auditing or reviewing the financial report	19,915	19,180
- taxation and other services	7,879	3,522
Total	27,794	22,702

20. Interests in Associates

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2014	Percentage Owned (%)* 2013
Associates:			
The Trade Union Centre Wollongong Pty Ltd	Australia	49.78	49.78

**The percentage of ownership interest held is equivalent to the percentage voting rights.*

The Trade Union Centre Wollongong Pty Ltd

The Trade Union Centre Wollongong Pty Limited owns and operates an office building. This associate is a small proprietary union incorporated in Australia.

Material associates

The above associate is considered to be material to Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District and the carrying amount of the Union's investment, calculated under the equity method of accounting is as follows:

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Notes to the Financial Statements

For the Year Ended 31 December 2014

20. Interests in Associates (Continued)

	The Trade Union Centre Wollongong Pty Ltd
2014	
Summarised balance sheet	
Cash and cash equivalents	32,210
Other current assets	10,708
Non-current assets	2,215,161
Current liabilities	<u>(11,591)</u>
Net assets	<u><u>2,246,488</u></u>
Summarised statement of profit or loss and other comprehensive income	
Revenue	111,568
Depreciation and amortisation	(2,463)
Profit from continuing operations	<u>4,208</u>
Total comprehensive income	<u><u>4,208</u></u>
2013	
Summarised balance sheet	
Cash and cash equivalents	24,629
Other current assets	11,143
Non-current assets	2,217,624
Current liabilities	<u>(11,116)</u>
Net assets	<u><u>2,242,280</u></u>
Summarised statement of profit or loss and other comprehensive income	
Revenue	112,504
Depreciation and amortisation	(2,871)
Profit from continuing operations	<u>1,584</u>
Total comprehensive income	<u><u>1,584</u></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 2014

20. Interests in Associates (Continued)

Reconciliation of carrying amount of interest in associate to summarised financial information for associates accounted for using the equity method:

	2014	2013
	\$	\$
The Trade Union Centre Wollongong Pty Ltd		
Union's share of 49.78% of net assets	<u>1,118,302</u>	<u>1,116,207</u>

Risks associated with the interests in associates

In the opinion of the Committee of Management, the Union did not have any contingencies at 31 December 2014 (31 December 2013: None) in relation to the associate.

21. Contingent liabilities and contingent assets

(a) Contingent Liabilities

During the year, a Divisional Executive commenced employment with the Union. As per industry requirements long service leave accrued by the individual up to the date of their termination from prior employment is either to be transferred to the Union, being the new employer, or paid out to the individual. At the date of this report the transfer of entitlements has not occurred. Should the entitlement balance be transferred to the Union, it is required to be transferred through to the Construction, Forestry, Mining and Energy Union - Mining and Energy Division who presently recognise the balance of long service leave entitlements for Divisional Executives. The Union considers that the long service leave may be paid out to the individual rather than the Union and has therefore not recognised a provision in relation to this matter.

The potential undiscounted amount of the total payment that the Union could be required to make to the Construction, Forestry, Mining and Energy Union - Mining and Energy Division if the long service leave was paid to the Union is estimated to be approximately \$64,792.

(b) Contingent Assets

As disclosed in note 1, there are funds yet to be transferred to the Union as part of the centralisation project. The following lodges are yet to communicate note remit the balance of their funds to the Union:

- Wollongong Coal
- Angus Place
- Moolarben
- Wilpinjong

As a result, a Contingent Asset has not been recognised as a receivable at 31 December 2014 as the receivable cannot be reliably estimated and the calculation of the amount to be received is not wholly within the control of the Union.

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 2014

22. Related party transactions

(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 Committee of Management (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 18: Interests of Key Management Personnel (KMP).

Other transactions with KMP and their related entities are shown below.

(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.

The following transactions occurred with related parties:

Associated companies

- i) Office space was rented from the Trade Union Centre Wollongong Pty Limited during the year. Commercial rent outgoings paid during the year totalled \$51,353 (2013: 58,057).

Other related parties

- i) Capitation fees totalling \$1,259,046 (2013: \$1,416,407) were charged by the Construction, Forestry, Mining and Energy Union - Mining and Energy Division during the year.
- ii) During the year the Union paid \$73,758 (2013: \$30,808) to Construction, Forestry, Mining & Energy Union - Mining and Energy for the use of a legal assistant.
- iii) During the year, the Union paid the Construction, Forestry, Mining & Energy Union - Mining and Energy \$3,429 in respect of various sundry payments.
- iv) An amount of \$11,818 (2013: \$18,000) was received from Construction, Forestry, Mining & Energy Union - Mining and Energy for hire of conference room.
- v) An amount of \$211,859 (2013: nil) was received from Construction, Forestry, Mining & Energy Union - Mining and Energy for payment of executive long service leave entitlements upon retirement.

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 2014

22. Related party transactions (Continued)

Other related parties (Continued)

- vi) From time to time the Union makes expenditures which relate to itself as well as other branches and divisions of CFMEU. These expenditures are then reimbursed to the Union at cost hence they are not considered to be related party transactions.

23. Cash flow information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2014	2013
	\$	\$
Net surplus for the year	968,423	323,399
Cash flows excluded from net surplus attributable to operating activities		
Non-cash flows in net surplus:		
- depreciation	134,948	137,097
- net (gain)/loss on disposal of property, plant and equipment	5,313	43,857
- share of gain of associate	(2,095)	(788)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(16,829)	70,903
- (increase)/decrease in other assets	4,356	(2,397)
- increase/(decrease) in income in advance	(16,074)	33,773
- increase/(decrease) in trade and other payables	15,859	117,331
- increase/(decrease) in employee benefits	(177,331)	199,935
Cashflow from operations	<u>916,570</u>	<u>923,110</u>

(b) Cash flow information

Cash inflows from reporting units (excluding GST)

CFMEU Mining and Energy	<u>345,797</u>	<u>202,424</u>
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Cash outflows from reporting units (excluding GST)

CFMEU Mining and Energy	<u>1,434,034</u>	<u>1,346,159</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 2014

24. Additional disclosures required under the Fair Work (Registered Organisations) Act 2009

As required under the reporting guidelines provided for under section 255 of the Fair Work (Registered Organisations) Act 2009, it is confirmed that:

1. The Union's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit; and
2. The Union has not agreed or does not have an agreement to provide financial support to another reporting unit to ensure its ability as a going concern; and
3. The Union has not acquired an asset or liability as a result of amalgamation, restructure or alternative reporting unit determination or revocation; and
4. The Union has not acquired assets or liabilities as part of a business combination.

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 2014

25. Section 272 Fair Work (Registered Organisation) 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 Subsections [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)

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

ABN: 49 954 293 181

Recovery of Wages Activity

For the Year Ended 31 December 2014

No recovery of wages activity was carried out by the Union for the year ended 31 December 2014

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 2014, 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, and Committee of Management statement of the entity.

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

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Fair Work (Registered Organisations) 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 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 of Construction, Forestry, Mining and Energy Union - Mining and Energy Division, South Western District as at 31 December 2014, and of the financial performance and cash flows for the year then ended in accordance with:

- (a) the Australian Accounting Standards; and
- (b) any other requirements imposed by the Reporting Guidelines or 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 of Management Statement, no such activity was undertaken during the reporting period.

I declare that I am an approved auditor, a member of the Chartered Accountants Australia and New Zealand 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
Chartered Accountants


Michael Mundt
Partner

Wollongong

Dated 30 March 2015

Liability is limited by a scheme approved under Professional Standards Legislation

From: KELLETT, Stephen
Sent: Tuesday, 30 June 2015 3:57 PM
To: 'Lee Webb'
Subject: RE: CFMEU, South Western District Branch - financial reporting - Extension of time

Dear Lee,

Please see attached the Delegate's letter in relation to the above.



CFMEU SWDT
FR2014 384 (extensic

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6746 3283
(email) stephen.kellett@fwc.gov.au



30 June 2015

Mr Lee Webb
District Secretary, South Western District Branch
Mining and Energy Division
Construction, Forestry, Mining and Energy Union

Sent by email: leewebb@umw.com.au

Dear Mr Webb

Re: Application for extension of time - s268 *Fair Work (Registered Organisations) Act 2009* - Construction, Forestry, Mining and Energy Union, Mining and Energy Division, South Western District Branch - for year ended 31 December 2014 (FR2014/384)

I refer to your emails dated 29 June 2015 and 30 June 2015 requesting an extension of time in respect of the lodgement of the financial return of the South Western District Branch for the year ended 31 December 2014.

Under subsection 265(5) I may extend the period in which the meeting required by section 266 must be held by no more than one month. The effect of a grant of extension of time will also be to extend the time by which the report must be lodged.

With an extension of time of up to the maximum period permitted, the latest date by which the report may be presented for the purposes of section 266, to the last of a series of general meetings, will be 31 July 2015.

Having regard to the circumstances and the correspondence provided, I grant an extension of time of one month.

Yours sincerely

Chris Enright
Delegate of the General Manager
Fair Work Commission

11 Exhibition Street Telephone: (03) 8661 7777
Melbourne VIC 3000 International: (613) 8661 7777
GPO Box 1994 Facsimile: (03) 9655 0401
Melbourne VIC 3001 Email: melbourne@fwc.gov.au

From: Lee Webb [mailto:leewebb@umw.com.au]
Sent: Tuesday, 30 June 2015 3:00 PM
To: KELLETT, Stephen
Subject: RE: Extension of time

Dear Sir,

I would like to clarify my request for an extension of time to lodge the Financial Report for the United Mine Workers, South Western District for 2014, that I emailed yesterday.

I have only been in the job as District Secretary of the United Mine Workers since November 2014, and I was unaware that I had to inform FWA of the Finances of the Branch. Please accept my apologies for my ignorance. The Finances were sent to the Lodges some time after the Annual Board of Management meeting which was held in March 2015, where the Financial report was approved by the Board of Management.

The Financial report that has been sent to the Lodges for endorsement, as required by the rules, have not yet presented to the members for endorsement and therefore not yet responded with their approval.

I have contacted the Lodges to ask them to expedite this process, as a matter of urgency, so that I may fulfil my requirements as the District Secretary, and expect them to do so within the next three weeks. I am therefore respectfully requesting an extension of time, in accordance with section 265(5) of the Act, for the Lodges to respond to my request to present the Financials to the members and return voting sheets to me.

Yours.

Lee Webb
District Secretary



United Mine Workers South Western District
636 Northcliffe Drive
KEMBLA GRANGE NSW 2526
Phone: 02 42717577
Fax: 02 42717677
Mob: 0418469851

From: Lee Webb [mailto:leewebb@umw.com.au]
Sent: Monday, 29 June 2015 9:56 AM
To: Orgs
Cc: PFEIFFER, Robert
Subject: Lodge of financial report 2015

Dear Sir,

I am respectfully requesting an extension of time for the return of the Lodgement of Financial Report for 2014, which is due on the 15th July 2015.

The Financial reports have been sent to the Lodges in our South Western District and as all of our Lodges have not yet returned their voting figures, the report is not complete.

Could you please advise is this is acceptable.

Yours Faithfully

Lee Webb
District Secretary



United Mine Workers South Western District
636 Northcliffe Drive
KEMBLA GRANGE NSW 2526
Phone: 02 42717577
Fax: 02 42717677
Mob: 0418469851



11 June 2015

Mr Lee Webb
District Secretary
Construction, Forestry, Mining and Energy Union-Mining and Energy Division South Western
District Branch
Sent via email: leewebb@umw.com.au

Dear Mr Webb,

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

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

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

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

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

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

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

Yours sincerely,

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au



12 January 2015

Mr Graham White
District Secretary

Construction, Forestry, Mining and Energy Union-Mining and Energy Div. South Western Dist. Branch
Sent via email: gwhite@umw.com.au

Dear Mr White,

**Re: Lodgement of Financial Report - [FR2014/384]
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 2014.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date, namely 15 July 2015 (being the expiry date of 6 months and 14 days from the end of the financial year), under s.268 of the RO Act.

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

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website which includes a webinar presentation on the Reporting Guidelines.

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

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

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

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

Yours sincerely,

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /	As soon as practicable after end of financial year
(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).		
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	Within a reasonable time of having received the GPFR (NB: Auditor's report must be dated on or after date of Committee of Management Statement)
Provide full report free of charge to members – s265 The full report includes: <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	(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, or (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.
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.