



FAIR WORK
COMMISSION

2 October 2013

Mr Greg Hardy
Secretary, Victorian District Branch
CFMEU
PO Box 918
MORWELL VIC 3840

Dear Mr Hardy

RE: Financial accounts and statements - Construction, Forestry, Mining and Energy Union, Mining and Energy Division, Victorian District Branch - for year ending 31 December 2012 (FR2012/596)

I refer to the above financial accounts and statements which were lodged on 12 July 2013.

If the total donations of \$5,714 included any single donation exceeding \$1,000, a separate statement setting out the prescribed particulars under section 237 should be lodged.

I have filed the documents but draw the Branch's attention to the items in the table attached for reference when preparing next year's financial report. Please note that the new Reporting Guidelines include additional items for disclosure or statement.

If you have any questions at any time regarding the reporting requirements, please contact me on (02) 6723 7237.

Yours faithfully,

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

Table of particular provisions

Provision	What it says	Explanation
<p>S252(4)</p> <p>S253(1)</p> <p>AASB 101 (27)</p>	<p>“...an organisation....may keep the financial records for its membership subscriptions separately on a cash basis”</p> <p>“...a reporting unit must cause a general purpose financial report to be prepared, in accordance with the Australian Accounting Standards....”</p> <p>“An entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting”.</p>	<p>Read carefully, in conjunction with the Accounting Standards, the Act makes a distinction between (i) keeping records and (ii) preparing reports.</p> <p>So, even if membership contributions records are kept through the year on a cash basis, as permitted by section 252(4), contributions must be reported at end of year on an accrual basis.</p> <p>Your Note 1 states that “...<i>the financial report has been prepared on an accruals basis....</i>”.</p> <p>This is correct and complies with s253(1) and AASB 101.</p> <p>Note 1(a) states that “<i>revenue from membership contributions are recognised upon receipt</i>”.</p> <p>This is permissible under s252(4) if this means that membership subscriptions are kept on a cash basis (but reported on an accruals basis).</p>
<p>New Reporting Guideline 41(e)(iv)</p> <p>S252(2)</p>	<p>“The committee of management statement must include declarations by the committee of management as to whether in their opinion... <i>(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</i>”</p> <p>“where an organisation consists of 2 or more reporting units, the financial records for each of the reporting units must, as far as practicable, be kept in a consistent manner”</p>	<p>The committee has not included a declaration whether its records are consistent with other (i.e. <i>Mining Divisional</i>) reporting units since 2010.</p> <p>The declaration of opinion as to consistency is a reflection of s252(2). It is required by the Guidelines, and it seems that it is an opinion that should, within reason, be able to be formed and expressed, especially given that all reporting units within the Division have to comply with similar, relevant AASBs and might be thought to have some common kinds of operational and transactional activity and given that consistency is limited in any case to “as far as practicable”.</p>
<p>S268</p> <p>FW(RO) Act</p>	<p>“A reporting unit must, within 14 days.....after the general meeting referred to in section 266, lodge with FWC.....”</p>	<p>Whenever presentation to the second meeting under s266 is held, the documents must be lodged with FWC within the next 14 days. In this case, since the second meeting was held on 16 June, the report should have been lodged by 30 June.</p> <p>There should be no reason, ordinarily, for a delay in so lodging within that period, but if circumstances prevent lodgement within that period, the reporting unit should formally request that a longer period than the 14 days be allowed.</p>

From: KELLETT, Stephen
To: ["greghardy@netxp.com.au"](mailto:greghardy@netxp.com.au)
Subject: Financial Report y/e 31 December 2012 - filing
Date: Wednesday, 2 October 2013 11:49:00 PM
Attachments: [CFMEU VDST FR2012 596 \(final\).pdf](#)
[fr_guidelines_253_2013.pdf](#)

Dear Mr Hardy

Please see my letter in relation to the above, and attachment.

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

From: [RENNIE, Claire](#)
To: [PFEIFFER, Robert](#)
Subject: ON CMS+ CFMEU-VDST Financial Report for y/e 31 12-12.
Date: Friday, 12 July 2013 10:16:12 AM
Attachments: [20130712_105106.pdf](#)

[FR2012/596](#)

-----Original Message-----

From: SharpMFC On Behalf Of sharpMFC@
Sent: Friday, 12 July 2013 10:51 AM
To: RENNIE, Claire
Subject: AIRC/AIR Scan

Reply to: sharpMFC@air.gov.au <sharpMFC@air.gov.au> **Device Name:**
ML4_SHARP_1 **Device Model:** MX-2700N
Location: Aust Industrial Registry

File Format: PDF (High)
Resolution: 300dpi x 300dpi

Attached file is scanned image in PDF format.
Use Acrobat(R)Reader4.0 or later version, or Adobe(R)Reader(TM) of Adobe Systems Incorporated to view the document.
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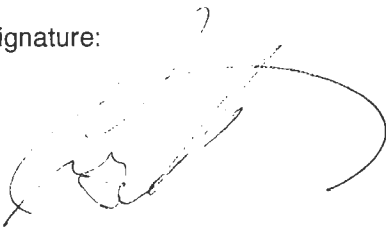
Designated Officer's Certificate

s268 *Fair Work (Registered Organisations) Act 2009*

I Gregory Hardy, being the Secretary of the Construction, Forestry, Mining and Energy Union, Mining and Energy Division, Victorian District Branch, certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on 14 March 2013; and
- that the full report was presented to a general meeting of members of the reporting unit (in the form of a series of meetings) on 16 June 2013; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature:



Date: Thursday, 27 June 2013



**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
MINING & ENERGY DIVISION
VICTORIAN DISTRICT BRANCH**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012**

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OPERATING REPORT

The Board of Management of the Construction Forestry Mining and Energy Union – Mining and Energy Division – Victorian District Branch (“the Union”) present their Operating Report on the Union for the year ended 31 December 2012.

Board of Management

The names of Board of Management in office at any time during the year are:

NAME	POSITION	PERIOD OF APPOINTMENT
Luke van der Meulen	District President	01/01/2012 to 31/12/2012
Greg Hardy	District Secretary	01/01/2012 to 31/12/2012
Graeme Middlemiss	District Vice President	01/01/2012 to 31/12/2012
Trevor Birkbeck	Board of Management	01/01/2012 to 28/05/2012
Stuart Sceney	Board of Management	01/01/2012 to 31/12/2012
Stuart Caines	Board of Management	01/01/2012 to 01/12/2012
Stuart Blanch	Board of Management	01/01/2012 to 28/05/2012
Bryan Walsh	Board of Management	01/01/2012 to 31/12/2012
Brett Leighton	Board of Management	01/01/2012 to 31/12/2012
Ian Biggs	Board of Management	01/01/2012 to 28/05/2012
Stephen Evans	Board of Management	01/01/2012 to 31/12/2012
Tony Briffa	Board of Management	01/01/2012 to 31/12/2012
Mark Richards	Board of Management	01/06/2012 to 31/12/2012
Noel Zammit	Board of Management	01/06/2012 to 31/12/2012
Keith Clark	Board of Management	01/12/2012 to 31/12/2012
Geoff Aitken	Board of Management	01/12/2012 to 31/12/2012
Kim Freeman	Board of Management	01/06/2012 to 31/12/2012

Principal Activities

The principal activities of the Union during the year were:-

- Conducting Activities for Parliamentary, Divisional and District 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 District's interest on various national committees and organisations.
- Responsibility for servicing national awards and enterprise agreements and maintaining related information services. District 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.
- Provision to Lodges of a National Library including information service / library through an electronic data base.
- 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 District's constitutional work.
- Provision of a National Training Agenda by representing the Union on various Boards and Committees.

OPERATING REPORT
Continued...

Results of Activities

The District has been involved in lobbying and negotiating with different levels of Government and key industry organisations around issues of importance to the members, including but not limited to health and safety issues, industrial and compensation matters, superannuation entitlements and environmental matters impacting the mining and power industries.

The result for the year was a Profit of \$114,419 (2011: Profit of \$108,146).

The District has successfully implemented industrial agreements for the benefits of members.

Significant Changes in Nature of Activities

There were no significant changes in the nature of activities of the Union during the year.

Significant Changes in Financial Affairs

There were no significant changes in the financial affairs of the Union during the year.

Membership of the Union

There were 1,413 financial members of the Union as at 31 December 2012.

Rights of Members to Resign

All members of the Union have the right to resign in accordance with Rule 11 of the Union Rules (and section 174 of the Fair Work (Registered Organisations) Act 2009).

Employees of the Union

As at 31 December 2012 the Union employed 5 full time equivalent employees.

Superannuation Trustees

Mr T. Birkbeck was a Board of Management member of the Union during the year and concurrently held a directorship of Equisuper Superannuation Fund.

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.


.....
Greg Hardy
District Secretary

Dated this 6th day of March 2013.

BOARD OF MANAGEMENT STATEMENT


On 6th of March, 2013 the Board of Management of the Construction Forestry Mining and Energy Union – Mining and Energy Division – Victorian District Branch (“the Union”), passed the following resolution in relation to the general purpose financial report (GPFR) of the Union, for the financial year ended 31 December 2012:

The Board of Management declares in relation to the GPFR that in its opinion:

- (a) The financial statements and notes comply with Australian Accounting Standards;
- (b) The financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year to which they relate;
- (d) There are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable;
- (e) During the financial year to which the GPFR relates and since the end of that year:-
 - (i) Meetings of the Board of Management were held in accordance with the rules of the Union; and
 - (ii) The financial affairs of the Union have been managed in accordance with the rules of the Union; and
 - (iii) The financial records of the Union 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) No information has been sought in any request of a member of the Union or by the General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (v) No orders for inspection of financial records have been made by Fair Work Australia or FWA under section 273 of the Fair Work (Registered Organisations) Act 2009; and
- (f) During the financial year ended 31 December 2012 no recovery of wages activities have been undertaken by the Union.

Signed for and on behalf of the Board of Management by:


.....
Luke van der Meulen
District President


.....
Stuart Sceney
Board of Management

Dated this 6th day of March 2013.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
Revenue	2	965,184	885,880
Other Income	2	111,513	73,862
Employee Benefits Expense		(442,433)	(425,131)
Depreciation and Amortisation Expense		(28,161)	(36,176)
Donations		(5,714)	(6,230)
Sustentation Fees		(259,163)	(232,707)
Other Expenses		(226,807)	(151,352)
Result for the Year		<u>114,419</u>	<u>108,146</u>
Other Comprehensive Income			
Other Comprehensive Income Items		<u>-</u>	<u>-</u>
Other Comprehensive Income for the Year		<u>-</u>	<u>-</u>
Total Comprehensive Income for the Year		<u>114,419</u>	<u>108,146</u>

The accompanying notes form part of these financial statements

**BALANCE SHEET
AS AT 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	3	162,482	397,857
Trade and Other Receivables	4	80,494	77,832
Financial Assets	5	420,802	-
Other Assets	6	8,045	7,641
TOTAL CURRENT ASSETS		<u>671,823</u>	<u>483,330</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	<u>409,440</u>	<u>372,722</u>
TOTAL NON-CURRENT ASSETS		<u>409,440</u>	<u>372,722</u>
TOTAL ASSETS		<u>1,081,263</u>	<u>856,052</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	8	89,484	43,466
Other Current Liabilities	9	39,555	43,311
Short-term Provisions	10	117,373	54,209
TOTAL CURRENT LIABILITIES		<u>246,412</u>	<u>140,986</u>
NON-CURRENT LIABILITIES			
Long-Term Provision	10	<u>5,366</u>	-
TOTAL NON-CURRENT LIABILITIES		<u>5,366</u>	-
TOTAL LIABILITIES		<u>251,778</u>	<u>140,986</u>
NET ASSETS		<u>829,485</u>	<u>715,066</u>
EQUITY			
Retained Earnings		<u>829,485</u>	<u>715,066</u>
TOTAL EQUITY		<u>829,485</u>	<u>715,066</u>

The accompanying notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	\$	\$
Balance as at 1 January	715,066	606,920
Result for the year	<u>114,419</u>	<u>108,146</u>
Closing Balance as at 31 December	<u><u>829,485</u></u>	<u><u>715,066</u></u>

The accompanying notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		1,064,319	954,694
Interest Received		22,577	11,942
Rents Received		25,393	33,072
Other Income		44,303	14,287
Payments to Suppliers and Employees		(919,468)	(973,353)
Net Cash Generated From Operating Activities	11	237,124	40,642
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(64,879)	(4,788)
Proceeds from Sale of Property, Plant and Equipment		13,182	18,909
Purchase of Investments		(420,802)	-
Net Cash Generated From (Used In) Investing Activities		(472,499)	14,121
Net Increase In Cash Held		(235,375)	54,763
Cash At The Start Of The Financial Year		397,857	343,094
Cash At The End Of The Financial Year	3	162,482	397,857

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers the Construction Forestry Mining and Energy Union – Mining and Energy Division – Victorian District Branch (“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.

Basis of Preparation

The Construction Forestry Mining and Energy Union – Mining and Energy Division – Victorian District Branch (“the Union”) has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2012-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards’ Reduced Disclosure Requirements of the Australian Accounting Standards Board and the requirements imposed by the Reporting Guidelines of Part 3 of Chapter 8 of the RO Act.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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.

Accounting Policies

a) Revenue

Revenue from membership contributions are recognised upon receipt, which is reflective of the timing and nature of the benefits provided to members.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

b) Inventories

Inventories are measured at the lower of cost and net realisable value.

c) 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 losses.

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

c) Property, Plant and Equipment

Continued....

The carrying amount of property, plant and equipment is reviewed annually by the Board of Management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Property, plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease 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.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and Equipment	20 – 50%
Motor Vehicles	20 – 25%

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

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income.

d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to the Union, are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Union commits itself to either purchase or sell the asset (ie 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- 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
- 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

e) Financial Instruments

Continued....

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 period, which will be classified as non-current assets.

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 mature within 12 months after reporting period.

If during the period the Union sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be 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 capable of being 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 disposed of within 12 months after reporting date (All other financial assets are classified as current assets).

v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

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

Impairment

At the end of each reporting period, the Union assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

e) Financial Instruments

Continued....

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Union no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

f) Impairment of Assets

At the end of each reporting period, the Union reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon on the assets ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

g) Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

h) Cash and Cash Equivalents

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

i) Goods and Services Tax (GST)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

i) Goods and Services Tax (GST)

Continued...

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

j) Income Tax

No provision for income tax has been raised as the Union is exempt from income tax under s.50-15 of the Income Tax Assessment Act 1997.

k) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of future economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the period.

l) Trade and Other Payables

Trade and other payables represent the liability outstanding at reporting date for goods and services received by the Union during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

n) Comparatives

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

Where the Union applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a Balance Sheet as at the beginning of the earliest comparative period will be disclosed.

o) Critical Accounting Estimates and Judgments

The Board of Management evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

Key Estimates – Impairment

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 \$	2011 \$
2. REVENUE AND OTHER INCOME		
Revenue		
Contributions	965,184	885,880
Interest Received	24,230	14,479
Rents Received	29,797	30,590
Profit on Sale of Fixed Asset	13,182	7,232
Other Income	44,304	21,561
	<u>1,076,697</u>	<u>959,742</u>
3. CASH AND CASH EQUIVALENTS		
Cash on Hand	300	170
Cash at Bank	162,182	397,687
	<u>162,482</u>	<u>397,857</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Contributions Receivable	66,809	56,649
Other Debtors	13,685	21,183
	<u>80,494</u>	<u>77,832</u>
5. FINANCIAL ASSETS		
Current		
Held-to-Maturity Financial Assets (a)	<u>420,802</u>	<u>-</u>
(a) Held-to-Maturity Financial Assets comprise:		
- Term Deposits	<u>420,802</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 \$	2011 \$
6. OTHER ASSETS		
Prepayments	8,045	7,641
7. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold land At Cost	23,000	23,000
Buildings At Cost	364,081	364,081
Less Accumulated Depreciation	(60,735)	(51,300)
	303,346	312,781
Total Land and Buildings	326,346	335,781
Plant and Equipment		
Motor Vehicles		
At Cost	87,032	62,524
Less Accumulated Depreciation	(24,509)	(40,778)
	62,523	21,746
Plant and Equipment		
At Cost	68,112	61,625
Less Accumulated Depreciation	(47,541)	(46,430)
	20,571	15,195
Total Plant and Equipment	83,094	36,941
Total Plant, Property and Equipment	409,440	372,722

(a) Movements in Carrying Amounts

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

	Opening WDV \$	Additions \$	Disposals \$	Depreciation Expense \$	Closing WDV \$
2012					
Freehold Land & Buildings	335,781	-	-	(9,435)	326,346
Motor Vehicles	21,746	55,210	-	(14,433)	62,523
Plant and Equipment	15,195	9,669	-	(4,293)	20,571
	372,722	64,879	-	(28,161)	409,440

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
8. TRADE AND OTHER PAYABLES			
Trade and Other Payables		<u>89,484</u>	<u>43,466</u>
9. OTHER LIABILITIES			
Income in Advance		<u>39,555</u>	<u>43,311</u>
10. PROVISIONS			
Employee Benefits	(a)	<u>122,739</u>	<u>54,209</u>
Analysis of Total Provisions			
Current		117,373	54,209
Non Current		5,366	-
		<u>122,739</u>	<u>54,209</u>
Provision for Long-term Employee Benefits			
<p>A provision has been recognised for employee entitlements relating to annual leave and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 of the financial statements.</p>			
(a) Employee Benefits Attributable to:			
Office Holders		103,536	46,208
Staff		19,203	8,001
		<u>122,739</u>	<u>54,209</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 \$	2011 \$
11. CASH FLOW INFORMATION		
(a) Reconciliation of Cash Flows from Operations with Result after Income Tax		
Operating Result after Income Tax	114,419	108,146
Non Cash Flows		
Depreciation	28,161	36,176
Profit on Sale of Property, Plant and Equipment	(13,182)	(7,232)
Changes in Assets and Liabilities		
Decrease/(Increase) in Trade and Other Receivables	(2,665)	(23,010)
Decrease/(Increase) in Other Assets	(404)	(1,017)
Increase/(Decrease) in Trade and Other Payables	42,262	(48,881)
Increase/(Decrease) in Provisions	68,533	(23,540)
	237,124	40,642
(b) Net cash flows (excluding GST) relating to another reporting unit of the Union are as follows:		
CFMEU – Mining & Energy Division	(235,822)	(232,068)
CFMEU – Construction & General Division	(6,295)	(9,139)
12. KEY MANAGEMENT PERSONNEL COMPENSATION		
The totals of remuneration paid to key management personnel (KMP) of the Company during the year are as follows:		
Key management personnel compensation	400,910	297,771

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

13. RELATED PARTY INFORMATION

(a) Members of the Board of Management

Persons holding positions within the Union and as members of the Board of Management during the year:

Luke van der Meulen	District President
Greg Hardy	District Secretary
Graeme Middlemiss	District Vice President
Trevor Birkbeck	Board of Management
Stuart Sceney	Board of Management
Stuart Caines	Board of Management
Stuart Blanch	Board of Management
Bryan Walsh	Board of Management
Brett Leighton	Board of Management
Ian Biggs	Board of Management
Stephen Evans	Board of Management
Tony Briffa	Board of Management
Mark Richards	Board of Management
Noel Zammit	Board of Management
Keith Clark	Board of Management
Geoff Aitken	Board of Management
Kim Freeman	Board of Management

(b) Related Party Transactions

Other related parties

- i) Sustainment fees totalling \$259,163 (2011: \$232,707) were paid to the Construction, Forestry, Mining and Energy Union during the year.
- ii) Salary & Wages totalling \$16,917 (2011: \$11,665) were paid during the year to a relative of an elected official for the provision of secretarial services on a part-time basis. Terms and conditions were within a normal employee relationship and no more favourable than those made available to other employees.
- iii) Salary & Wages totalling \$38,324 (2011: \$34,974) were paid during the year to a relative of an elected official for the provision of secretarial services on a part-time basis. Terms and conditions were within a normal employee relationship and no more favourable than those made available to other employees.
- iv) Computer Software support was supplied by Construction, Forestry, Mining and Energy Union - Construction & General Division during the year. Total amount paid during the year was \$6,295 (2011: \$9,139).
- v) 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 at cost hence they are not considered to be related party transactions.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

14. FINANCIAL RISK MANAGEMENT

The Union's financial instruments consist mainly of deposits with banks, accounts receivable and payable, commercial bills and leases.

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:

	NOTE	2012 \$	2011 \$
Financial Assets			
Cash and Cash Equivalents	3	162,482	397,857
Trade and Other Receivables	4	80,494	77,832
Held to Maturity Financial Assets	5	420,802	-
		663,778	475,689
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and Other Payables	8	89,484	43,466

15. EVENTS AFTER THE REPORTING PERIOD

- (a) No matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect:
- (i) the operations of the Union;
 - (ii) the results of those operations; or
 - (iii) the state of affairs of the Union, in subsequent financial years.
- (b) The financial report was authorised for issue on the 6th of March 2013 by the Board of Management.

16. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of subsection 272(5) of the RO Act, attention is drawn to the requirements of subsections (1), (2) and (3) of section 272 of the RO Act, which read as follows:-

- (1) A member of a reporting unit, or the General Manager, 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).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

17. ADDITIONAL DISCLOSURES REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the requirements of section 255 of the Fair Work (Registered Organisations) Act 2009 ("the RO Act"), the following necessary disclosures are made:

	2012 \$	2011 \$
PROFIT AND LOSS DISCLOSURES		
ITEMS OF REVENUE		
Donations or Grants	-	-
ITEMS OF EXPENSE		
Fees and periodic subscriptions in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters	3,170	3,000
Grants or donations	5,714	6,230
Employee Benefits to:		
- Holders of office	279,325	264,198
- Employees (Other than holders of office)	111,485	119,794
	<u>390,810</u>	<u>383,992</u>
Expenses incurred in connection with meetings of members of the Union and any conferences or meeting of councils, committees, panels or other bodies for the holding of which the Union was wholly or partly responsible	8,032	7,863

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF THE CONSTRUCTION FORESTRY MINING AND ENERGY UNION - VICTORIAN DISTRICT**

We have audited the accompanying financial statements of the Construction Forestry Mining and Energy Union – Mining and Energy Division – Victorian District Branch (“the Union”), which comprises the Balance Sheet as at 31 December 2012 and the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of the significant accounting policies and other explanatory notes and the Board of Management Statement.

Board of Management's Responsibility for the Financial Statements

The Union's Board of Management are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards' Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 ('The RO Act') and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are 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 statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Union's preparation and fair presentation of the financial statements 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 Union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, 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 AUDITOR'S REPORT TO THE MEMBERS
OF THE CONSTRUCTION FORESTRY MINING AND ENERGY UNION - VICTORIAN DISTRICT**

Continued...

Auditor's Opinion

In our opinion, the general purpose financial report of the Construction Forestry Mining and Energy Union – Mining and Energy Division – Victorian District Branch ("the Union") as at 31 December 2012 and for the year then ended, is presented fairly in accordance with:

- (a) Accounting Standards' reduced disclosure requirements (including the Australian Accounting Interpretations); and
- (b) The Fair Work (Registered Organisations) Act 2009 ('The RO Act'), including the requirements imposed by Part 3 of Chapter 8 of the RO Act.

Daley & Co.

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Daley & Co
Chartered Accountants
98 Kembla Street
Wollongong NSW 2500

Michael Mupdt

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Michael Mupdt
Partner

Dated this 6th day of March 2013



FAIR WORK
COMMISSION

18 January 2013

Mr Greg Hardy
District Secretary
Construction, Forestry, Mining and Energy Union-Mining and Energy
Division - Victorian District Branch
Sent by email: cfmeumor@tpg.com.au

Dear Mr Hardy,

Re: Lodgement of Financial Report - [FR2012/596]

Fair Work (Registered Organisations) Act 2009 (the RO Act)

The financial year of the Construction, Forestry, Mining and Energy Union-Mining and Energy Division - Victorian District Branch (the reporting unit) ended on 31 December 2012.

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 2013 (that is the period within 6 months and 14 days of 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 regarding financial reporting under the RO Act are provided on the Fair Work Commission website at: [Financial Reporting Fact Sheets](#).

The documents can be emailed to orgs@fwc.gov.au. If it is envisaged that the financial report cannot be lodged by the due date you are requested to contact this office prior to the due date to discuss the issue.

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 \$33,000 for a body corporate and \$6,600 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.