



FAIR WORK
COMMISSION

15 August 2014

Mr Geoff Dyke
Secretary, Victorian District Branch, Mining and Energy Division
CFMEU
PO Box 918
MORWELL VIC 3840

Dear Mr Dyke,

Re: Lodgement of financial statements and accounts - s268 Fair Work (Registered Organisations) Act 2009 - CFMEU, Mining and Energy Division, Victorian District Branch - for year ended 31 December 2013 (FR2013/494)

I acknowledge receipt of the financial report of the Victorian District Branch of the Mining and Energy Division [‘the reporting unit’]. The documents were lodged with the Fair Work Commission on 14 July 2014. An amended committee of management statement was lodged on 14 August 2014, and an extension of time under section 268 of the Fair Work (Registered Organisations) Act 2009 was granted today.

The financial report has now been filed.

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

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

Please note that the financial report for the year ending 31 December 2014 may be subject to an advanced compliance review.

Reports must be provided to Members at least 21 days before the General Meeting of Members

The amended designated officer’s certificate states that the financial report was provided to members on 27 April 2014, and presented to the final Lodge general meeting of members on 14 May 2014. Under section 265(5)(a) of the RO Act, where the report is presented to general meetings of members, the report must be provided to members at least 21 days before the final meeting of the series.

In this case, the reporting unit only provided members the financial report 17 days before the relevant general meeting.

Please note that subsection 265(5) is a civil penalty provision.

I also attach a copy of the new Reporting Guidelines that will apply to the next report issued on 13 June 2014.

If you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6723 7237 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 stroke extending to the right.

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch



15 August 2014

Mr Geoff Dyke
Secretary, Victorian District Branch, Mining and Energy Division
CFMEU
PO Box 918
MORWELL VIC 3840

Dear Mr Dyke,

Re: Application for extension of time - s268 Fair Work (Registered Organisations) Act 2009 - CFMEU, Mining and Energy Division, Victorian District Branch - for year ended 31 December 2013 (FR2013/494)

I refer to your letter of application for an extension of time under subsection 268 of the Act, which was received on 14 August 2014.

I note from the Designated Officer's Certificate that the full report was presented to the last of a series of general Lodge meetings on 14 May 2014 but was not lodged until 14 July 2014. Section 268 provides that the full report must be lodged within 14 days of the date of presentation to the general meeting held for the purposes of section 266, and accordingly, the full report should have been lodged by 28 May 2014.

Having regard to the circumstances in your letter and your undertaking, I allow a longer period for lodgement up until the date of actual lodgement.

Yours sincerely

Chris Enright
Delegate of the General Manager
Fair Work Commission



CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

**MINING & ENERGY DIVISION
VICTORIAN DISTRICT BRANCH**

P.O. Box 918, Morwell, Victoria 3840
Wing 5, Lignite Court, Morwell
Telephone 03 5134 3311
Facsimile 03 5133 7058
cfmeumor@tpg.com.au
ABN 38 442 492 093



To: General Manager
Regulatory Compliance Branch
Fair Work Commission

CC:

14th August 2014

Dear Sir/Madame,

I would like to request an extension of time in relation to the submission of our 2013 Financial Report.

We initially experienced a delay of several weeks in getting out our agreed and ratified minutes from our AGM and Committee of Management meeting held on 12th March. This delay was significantly impacted by our District President, who was assuming the District Secretary's duties at the time, going overseas.

Further delays were then experienced in holding the meetings of our lodges at our various sites, which is being made more difficult by a lack of employer co-operation. After all the lodges had received the report, we then experienced some further delay in getting the required signatories in order to complete the paperwork and send it off.

I am only new to the role of District Secretary but take on board that we have not met our time requirements and give my full commitment that we will do so next year.

Regards,

Geoff Dyke
Secretary
Victorian District Branch
Mining & Energy Division
CFMEU

Mobile: 0409 090 659
Email: gd14cfmeu@tpg.com.au

BOARD OF MANAGEMENT STATEMENT

On the 12 March 2014 the Board of Management of the Victorian District Branch of the Construction Forestry Mining and Energy Union Mining and Energy Division passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2013:

The Board of management declares 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;
- (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 financial report relates and since the end of that year:
 - (i) meetings of the Board of management were held in accordance with the rules of the organisation including the rules of the branch; and
 - (ii) the financial affairs of the reporting unit were managed in accordance with the rules of the organisation including the rules of the branch; and
 - (iii) the financial records of the reporting unit were kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
 - (iv) 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;
 - (v) no information has been sought by a member of the reporting unit or duly made by the General Manager under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) there has been no order for inspection of financial records made by the Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.
- (f) There have been no recovery of wages activities that have occurred in the reporting period.

This declaration is made in accordance with a resolution of the Board of management.

Signed G. W. Dylca

Position SECRETARY

Date 12 / 8 / 2014

Signed [Signature]

Position President

Date 14 / 8 / 2014



FAIR WORK
COMMISSION

11 August 2014

Mr Luke Van der Meulen
President, Victorian District Branch, Mining and Energy Division
CFMEU
PO Box 918
MORWELL VIC 3840

Dear Mr Van der Meulen

Re: Lodgement of statements and accounts - Construction, Forestry, Mining & Energy Union, Mining and Energy Division, Victorian District Branch - for year ended 31 December 2013 (FR2013/494)

I acknowledge receipt of the financial statements and accounts of the Victorian District Branch, ('the reporting unit') which were lodged with the Fair Work Commission on 14 July 2014. An amended Designated Officer's Certificate was received on 8 August 2014.

While last year's financial report was filed, I raised certain issues for the reporting unit to address in future financial reports (see copy of letter attached). I notice that the same errors occurred in relation to the current report, namely:

- (i) the Committee of Management Statement did not include the prescribed declaration that "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".¹
- (ii) the report was not lodged within the 14 day period ordinarily prescribed for lodgement after presentation to the meeting(s) referred to in section 266 of the RO Act.²

The amended Designated Officer's Certificate indicates that this meeting/these meetings (i.e. the last of a series of Lodge meetings) occurred on 14 May 2014. If this is correct the full report should have been lodged with the Fair Work Commission by 28 May 2014, whereas the full report was not lodged until 14 July, some 2 months later.

The Fair Work Commission aims to assist reporting units in complying with their obligations under the RO Act and Reporting Guidelines, by providing advice about the errors identified in financial reports. The above mentioned errors must be addressed. Therefore:

I ask that the Board cause an amended Committee of Management statement that includes the omitted declaration to be signed, to be included with the other documents comprising the financial report, and provided to FWC at the earliest opportunity.

¹ See item 35(e)(iv) of the Reporting Guidelines (4th ed.) (extract attached). This declaration reflects the requirement of section 252(2) which states: "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."

² See section 268: "A reporting unit must, within 14 days (or such longer period as the General Manager allows) after the general meeting referred to in section 266, lodge.... (etc.)" Note that section 268 is a civil penalty provision.

I ask that the Branch lodge a request in writing for the General Manager to allow a longer period for lodgement. The request should set out the circumstances for the delay in lodgement.

I will file the documents upon receipt of the above. Failure to address these issues may lead to the General Manager exercising her powers under section 330 of the RO Act.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or 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 stroke extending to the right.

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

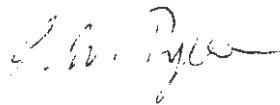
Designated Officer's Certificate or other Authorised Officer¹

s268 *Fair Work (Registered Organisations) Act 2009*

I, **Geoffrey Wayne Dyke**, being the **Secretary** of the Victorian District Branch of the Mining and Energy Division of the Construction, Forestry, Mining and Energy Union certify:

- that the documents lodged with the Fair Work Commission on 14th July 2014 in respect of the year ended 31 December 2013 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 of the reporting unit on 27 April 2014
- that the full report was presented to a series of general Lodge meetings of the members of the reporting unit, the last of such meetings being held on 14th May 2014 in accordance with section 266(2) of the *Fair Work (Registered Organisations) Act 2009*.

Signature



Date: 8 / 8 / 2014



Construction Forestry Mining and Energy Union

Mining and Energy Division

Victorian District Branch

ABN: 38 442 492 093

Financial Statements

For the Year Ended 31 December 2013

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

For the Year Ended 31 December 2013

Financial Statements

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Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

Operating Report

31 December 2013

The Board of Management present their report on Construction Forestry Mining and Energy Union Mining and Energy Division, Victorian District Branch for the financial year ended 31 December 2013.

General information

Information on Board of Management

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

Name	Position	Period of Appointment
Luke van der Meulen	District President	1/1/13 - 31/12/13
Greg Hardy	District Secretary	1/1/13 - 31/12/13
Graeme Middlemiss	District Vice President	1/1/13 - 31/12/13
Stuart Sceney	Board of Management	1/1/13 - 31/12/13
Bryan Walsh	Board of Management	1/1/13 - 31/12/13
Brett Leighton	Board of Management	1/1/13 - 31/12/13
Stephen Evans	Board of Management	1/1/13 - 31/12/13
Tony Briffa	Board of Management	1/1/13 - 6/3/13
Mark Richards	Board of Management	1/1/13 - 31/12/13
Noel Zammit	Board of Management	1/1/13 - 31/12/13
Keith Clark	Board of Management	1/1/13 - 31/12/13
Geoff Aitken	Board of Management	1/1/13 - 31/12/13
Kim Freeman	Board of Management	1/1/13 - 31/12/13
Rob Bernardi	Board of Management	6/3/13 - 31/12/13

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

Operating Report

31 December 2013

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 results and review of operations for the year

Operating results

The profit of the Union amounted to \$ 162,248 (2012: \$ 114,419).

Significant changes in state of affairs

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

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

Right of members to resign

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

**Construction Forestry Mining and Energy Union Mining and Energy Division Victorian
District Branch**

ABN: 38 442 492 093

Operating Report

31 December 2013

Superannuation Trustees

Mr T. Birkbeck was a 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.

Number of members

There were 1,363 members of the Union as at 31 December 2013 (2012: 1,413).

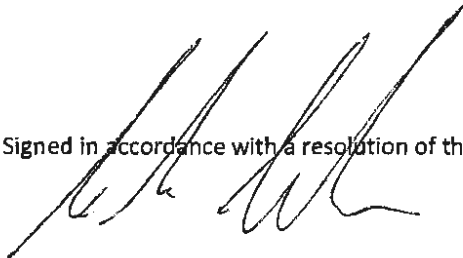
Number of employees

As at 31 December 2013 the Union had 5 employees (2012: 5).

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

Graeme Middlemiss is a director of South East Australian Transport Strategy and Gippsland Regional Waste Management Group.

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



Luke van der Meulen
District President

Dated 12 March 2014

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

Board of Management Statement (Continued)

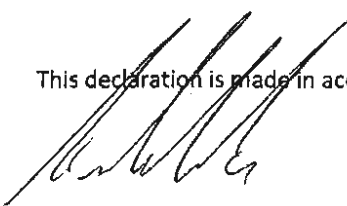
For the year ended 31 December 2013

On the 12 March 2014 the Board of Management of the Construction Forestry Mining and Energy Union - Mining and Energy Division passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2013:

The Board 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 Board of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (v) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) there have been no recovery of wages activities that have occurred in the reporting period;

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


Luke van der Meulen
District President


Graeme Middlemiss
Board of Management

Dated 12 March 2014

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2013

	Note	2013 \$	2012 \$
Revenue	2	1,036,285	1,063,515
Other income	2	130,020	13,182
Employee benefits expense		(556,890)	(536,975)
Depreciation and amortisation expense		(34,957)	(28,161)
Capitation fees		(257,949)	(259,163)
Affiliation fees		(4,000)	(3,170)
Donations		(5,473)	(5,714)
Professional fees		(16,286)	(11,055)
Loss on disposal of fixed assets		(3,460)	-
Other expenses		(125,042)	(118,040)
Result for the year		162,248	114,419
Other comprehensive income:			
Other comprehensive income items:		-	-
Total comprehensive income for the year		162,248	114,419

The accompanying notes form part of these financial statements.

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

Balance Sheet

31 December 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	255,421	162,482
Trade and other receivables	5	79,801	80,494
Other financial assets	6	200,000	420,802
Other assets	7	5,928	8,045
TOTAL CURRENT ASSETS		541,150	671,823
NON-CURRENT ASSETS			
Trade and other receivables	5	386,610	-
Property, plant and equipment	8	363,697	409,440
TOTAL NON-CURRENT ASSETS		750,307	409,440
TOTAL ASSETS		1,291,457	1,081,263
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	165,661	89,484
Employee benefits	11	98,288	117,373
Other liabilities	10	26,753	39,555
TOTAL CURRENT LIABILITIES		290,702	246,412
NON-CURRENT LIABILITIES			
Employee benefits	11	9,022	5,366
TOTAL LIABILITIES		299,724	251,778
NET ASSETS		991,733	829,485
EQUITY			
Retained earnings		991,733	829,485
TOTAL EQUITY		991,733	829,485

The accompanying notes form part of these financial statements.

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

Statement of Changes in Equity

For the Year Ended 31 December 2013

	Retained Earnings	
	2013	2012
	\$	\$
Balance at 1 January	829,485	715,066
Result for the year	162,248	114,419
Balance at 31 December	<u>991,733</u>	<u>829,485</u>

The accompanying notes form part of these financial statements.

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

Statement of Cash Flows

For the Year Ended 31 December 2013

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from members		1,074,882	1,064,319
Interest received		11,966	22,577
Other receipts		181,086	69,696
Payments to suppliers and employees		<u>(1,003,562)</u>	<u>(919,468)</u>
Net cash provided by operating activities	16(a)	<u>264,372</u>	<u>237,124</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for plant and equipment		(8,584)	(64,879)
Proceeds from sale of plant and equipment		15,909	13,182
Proceeds/Purchase of investments		<u>220,802</u>	<u>(420,802)</u>
Net cash provided by/(used in) investing activities		<u>228,127</u>	<u>(472,499)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net cash provided by/(used in) investing activities		<u>(399,360)</u>	-
Net increase/(decrease) in cash and cash equivalents held		92,939	(235,375)
Cash and cash equivalents at beginning of year		<u>162,482</u>	<u>397,857</u>
Cash and cash equivalents at end of financial year	4	<u>255,421</u>	<u>162,482</u>

The accompanying notes form part of these financial statements.

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

Notes to the Financial Statements

For the Year Ended 31 December 2013

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

1 Summary of Significant Accounting Policies

(a) Basis of preparation

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

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

(b) Comparative figures

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

(c) Property, plant and equipment

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

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

Depreciation

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

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(c) Property, plant and equipment

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

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

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

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

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(d) Financial Instruments

Amortised cost is calculated as:

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

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

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

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

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

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

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

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

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(d) Financial Instruments (Continued)

(iii) Held-to-maturity investments

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

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

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

(iv) Available-for-sale financial assets

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

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

(v) Financial liabilities

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

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

Financial liabilities

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

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(d) Financial instruments (Continued)

Impairment of financial assets

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

Financial assets at amortised cost

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

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

Available-for-sale financial assets

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

Derecognition of financial assets

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

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(e) Impairment of non-financial assets

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

Where it is not possible to estimate the recoverable amount of an individual asset, the Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment losses recognised in respect of CGU's are allocated first to reduce the carrying amount of goodwill to nil and then to the other assets in the unit in proportion to their carrying amount.

(f) 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 statement of financial position.

(g) Employee benefits

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

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

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

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

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

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(h) Leases

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

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Union will obtain ownership of the asset or over the term of the lease.

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

(i) Revenue and other income

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

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

Interest revenue

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

Rental income

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

Capitation fees

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

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

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(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.

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) 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.

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(m) New accounting standards for application in future periods

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2013

1 Summary of Significant Accounting Policies (Continued)

(n) Grants

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

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

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

(o) Income tax

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

(p) Adoption of new and revised accounting standards

During the current year, there have been no new or revised accounting standards that have become mandatory, which have had a material impact (in the current year or retrospectively) upon the measurement of assets, liabilities, equity, income or expenses, nor upon the disclosures required in this financial report.

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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Notes to the Financial Statements

For the Year Ended 31 December 2013

2. Revenue and Other Income

Revenue from continuing operations

	2013	2012
	\$	\$
Revenue		
Membership subscriptions	927,299	965,184
Interest received	17,212	24,230
Rents received	29,525	29,797
Other income	11,204	44,304
Capitation fees	-	-
Levy – Yallourn lockout	51,045	-
Total revenue	<u>1,046,285</u>	<u>1,063,515</u>

Other income

Grants and donations	130,020	-
Net gain from sale of assets	-	13,182
Total other income	<u>130,020</u>	<u>13,182</u>
Total income	<u>1,166,305</u>	<u>1,076,697</u>

3. Result for the year

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

Grants and donations

- Grants	-	-
- Donations	5,473	5,714
	<u>5,473</u>	<u>5,714</u>

Depreciation and amortisation

- Land and buildings	9,280	9,435
- Property, plant and equipment	25,677	18,726
	<u>34,957</u>	<u>28,161</u>

Legal costs:

- Litigation	-	-
- Other legal matters	5,936	-
	<u>5,936</u>	<u>-</u>

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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Notes to the Financial Statements

For the Year Ended 31 December 2013

3 Result for the year (continued)

	2013	2012
	\$	\$
Employee expenses		
Holders of office:		
- Wages and salaries	338,068	287,713
- Superannuation	36,318	34,526
- Leave and other entitlements	(50,127)	57,328
- Separation and redundancies	-	-
- Other employee expenses	21,837	20,556
	<u>346,096</u>	400,910
Employees other than office holders:		
- Wages and salaries	158,529	107,316
- Superannuation	19,529	12,878
- Leave and other entitlements	21,137	11,202
- Separation and redundancies	-	-
- Other employee expenses	11,599	5,889
	<u>210,794</u>	137,285
Total employee expenses	<u>556,890</u>	536,975
Capitation fees	<u>257,949</u>	259,163
Affiliation fees		
- Victorian Trades Hall	4,000	3,170
Administration expenses:		
- Consideration to employers for payroll deductions	-	-
- Compulsory levies	-	-
- Conference and meeting expenses	2,422	3,461
- Fees/allowances - meeting and conferences	-	5,865
Loss on disposal of fixed assets	3,460	-
Penalties - via RO Act or RO Regulations	-	-

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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Notes to the Financial Statements

For the Year Ended 31 December 2013

4 Cash and cash equivalents

	Note	2013 \$	2012 \$
Cash on hand		126	300
Cash at bank		255,295	162,182
		<u>255,421</u>	<u>162,482</u>

5 Trade and other receivables

CURRENT

Trade receivables		41,453	66,809
Other receivables		25,398	13,685
Member loans	5(b)	12,950	
		<u>79,801</u>	<u>80,494</u>

NON-CURRENT

Member Loans	5(b)	<u>386,610</u>	-
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(a) Credit risk - Trade and Other Receivables

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

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

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

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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Notes to the Financial Statements

For the Year Ended 31 December 2013

5 Trade and other receivables (continued)

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

The other classes of receivables do not contain impaired assets.

	Gross amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			< 30 \$	31-60 \$	61-90 \$	> 90 \$	
2013							
Trade and term receivables	41,453	-	-	-	-	-	41,453
Total	41,453	-	-	-	-	-	41,453
2012							
Trade and term receivables	66,809	-	-	-	-	-	66,809
Total	66,809	-	-	-	-	-	66,809

(b) Member Loans

During the year the union entered into an interest free loan of \$399,560 with some members of the Yallourn Power Station Lodge, during a period whilst those members were locked out of their worksite.

The loans are expected to be repaid in accordance with the loan agreement from 1 May 2014 at a rate of \$5 per week, per borrower.

	2013 \$	2012 \$
(c) Receivable from other reporting units	-	-
6 Other financial assets		
CURRENT		
Held-to-maturity financial assets	(a) 200,000	420,802
(a) Held-to-maturity investments comprise:		
Term deposits held with financial institutions	200,000	420,802

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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Notes to the Financial Statements

For the Year Ended 31 December 2013

7 Other assets

	2013	2012
	\$	\$
CURRENT		
Prepayments	5,928	8,045

8 Property, plant and equipment

LAND AND BUILDINGS

Freehold land at cost	23,000	23,000
Land and buildings		
At cost	364,081	364,081
Accumulated depreciation	(70,015)	(60,735)
	<u>294,066</u>	<u>303,346</u>

PLANT AND EQUIPMENT

Motor vehicles		
At cost	59,426	87,032
Accumulated depreciation	(36,593)	(24,509)
	<u>22,833</u>	<u>62,523</u>

Plant and equipment

At cost	76,697	68,112
Accumulated depreciation	(52,899)	(47,541)
	<u>23,798</u>	<u>20,571</u>

Total plant and equipment	<u>46,631</u>	<u>83,094</u>
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Total property, plant and equipment	<u><u>363,697</u></u>	<u><u>409,440</u></u>
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Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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Notes to the Financial Statements

For the Year Ended 31 December 2013

8 Property, plant and equipment (continued)

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

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

	Land and buildings	Motor Vehicles	Plant & equipment	Total
	\$	\$	\$	\$
Balance at 1 January 2012	335,781	21,746	15,195	372,722
Additions	-	55,210	9,669	64,879
Disposals	-	-	-	-
Depreciation expense	(9,435)	(14,433)	(4,293)	(28,161)
Balance at 31 December 2012	326,346	62,523	20,571	409,440
Balance at 1 January 2013.	326,346	62,523	20,571	409,440
Additions	-	-	8,584	8,584
Disposals	-	(19,370)	-	(19,370)
Depreciation expense	(9,280)	(20,320)	(5,357)	(34,957)
Balance at 31 December 2013	317,066	22,833	23,798	363,697

	2013	2012
	\$	\$
9 Trade and other payables		
Trade and other payables	165,661	89,485
(a) Payable to other reporting units:		
CFMEU Mining and Energy National Office	78,133	25,426
(b) Other payable		
Legal fees payable	-	-
Consideration to employers for payroll deductions	-	-

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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Notes to the Financial Statements

For the Year Ended 31 December 2013

10 Other liabilities

Amounts received in advance	<u>26,753</u>	<u>39,555</u>
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11 Employee benefits

CURRENT

Employee benefits expense	<u>98,288</u>	<u>117,373</u>
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NON-CURRENT

Employee benefits expense	<u>9,022</u>	<u>5,366</u>
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(a) Total employee benefits attributable to:

Office Holders:

- Annual leave	48,073	36,710
- Long service leave	-	47,977
- Separation and redundancies	-	-
- Other	19,343	18,849

<u>67,416</u>	<u>103,536</u>
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Employees other than office holders:

- Annual leave	28,234	15,749
- Long service leave	9,022	5,366
- Separation and redundancies	-	-
- Other	2,638	(1,912)

<u>39,894</u>	<u>19,203</u>
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Total

<u>107,310</u>	<u>122,739</u>
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Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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Notes to the Financial Statements

For the Year Ended 31 December 2013

12 Financial risk management

The main risks Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Union's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2013 \$	2012 \$
Financial Assets			
Cash and cash equivalents	4	255,421	162,482
Held-to-maturity investments	6	200,000	420,802
Trade and other receivables	5	466,411	80,494
Total financial assets		921,832	663,778
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	9	165,661	89,485
Borrowings		-	-
Total financial liabilities		165,661	89,485

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

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 undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the balance sheet due to the effect of discounting.

Financial liability maturity analysis – Non-derivative

	Within 1 year		Total	
	2013 \$	2012 \$	2013 \$	2012 \$
Financial liabilities due for payment				
Trade and other payables	165,661	89,485	165,661	89,485

The timing of expected outflows is not expected to be materially different from the contracted cash flows.

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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Notes to the Financial Statements

For the Year Ended 31 December 2013

12 Financial risk management

Market Risk -Cash flow interest rate sensitivity

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

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

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

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

	2013		2012	
	+-%	-+%	+-%	-+%
	\$	\$	\$	\$
Cash and cash equivalents				
Net results	3,983	(3,983)	4,640	(4,640)
Equity	3,983	(3,983)	4,640	(4,640)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Union. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Union has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

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

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

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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Notes to the Financial Statements

For the Year Ended 31 December 2013

12 Financial risk management

Credit risk (continued)

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

(a) Net income and expense from Financial Assets

	2013	2012
	\$	\$
Held-to-maturity		
Interest revenue	<u>17,212</u>	<u>24,230</u>

Net fair values

Fair value estimation

The fair values of financial assets and financial liabilities are disclosed in the balance sheet and notes to the financial statements.

Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

13 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 Victorian District Branch during the year are as follows:

Short-term employee benefits

Salary (including annual leave taken)	257,692	279,818
Leave accrued	28,793	40,055
	<u>286,485</u>	<u>319,873</u>

Post-employment benefits

Superannuation	36,318	33,043
Other long term benefits	-	47,994
Termination benefits	-	-
	<u>322,803</u>	<u>400,910</u>

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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Notes to the Financial Statements

For the Year Ended 31 December 2013

14 Remuneration of Auditors

	2013	2012
	\$	\$
Remuneration of the auditor of the Union, Daley & Co, for:		
- auditing or reviewing the financial report	6,700	6,600
- other services	3,650	4,455
	<u>10,350</u>	<u>11,055</u>

15 Related party transactions

Related Parties

(a) Key management personnel

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

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

(b) Transactions with related parties

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

Other related parties

- i) Sustainment fees totalling \$205,242 (2012: \$259,163) were paid to the Construction, Forestry, Mining and Energy Union during the year.
- ii) Salary & Wages totalling \$18,110 (2012: \$16,917) were paid during the year to a relative of an elected official for the provision of administration 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 \$41,544 (2012: \$38,324) were paid during the year to a relative of an elected official for the provision of administration 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 \$5,153 (2012: \$6,295).

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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Notes to the Financial Statements

For the Year Ended 31 December 2013

15 Related party transactions (continued)

- v) An amount of \$29,536 (2012: \$29,536) was received from Construction, Forestry, Mining and Energy Union, Construction and General Division, Victorian Divisional Branch during the year, for costs associated with occupying the Union premises.
- vi) During the 2013 year a \$50,000 donation was received from the Construction, Forestry, Mining and Energy Union – Mining and Energy Division. (2012: Nil)
- vii) During the 2013 year a \$20,000 donation was received from the Construction, Forestry, Mining and Energy Union. (2012: Nil)
- viii) During the 2013 year a \$30,000 donation was received from the Construction, Forestry, Mining and Energy Union – Mining and Energy Division, Queensland Divisional branch. (2012: Nil)
- ix) During the 2013 year a \$10,000 donation was received from the Construction, Forestry, Mining and Energy Union – Mining and Energy Division, Northern District. (2012: Nil)
- x) During the 2013 year a \$5,000 donation was received from the Construction, Forestry, Mining and Energy Union – Mining and Energy Division, NSW Division. (2012: Nil)
- xi) During the 2013 year loans totalling \$399,560 were granted to members of the District. Relatives of the Board of Management have been entitled to and have received loan funds, however the terms and conditions of these loans were identical to that provided to other members.
- xii) 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.

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

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Notes to the Financial Statements

For the Year Ended 31 December 2013

16 Cash flow information

(a) Reconciliation of net income to net cash provided by operating activities:	2013	2012
	\$	\$
Result for the year	162,248	114,419
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	34,957	28,161
- net gain on disposal of plant and equipment	3,460	(13,182)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	13,645	(2,665)
- (increase)/decrease in other assets	2,117	(404)
- increase/(decrease) in trade and other payables	63,373	42,262
- increase/(decrease) in employee benefits	(15,428)	68,533
Cash flow from operations	264,372	237,124

(b) Cash flows information

Cash inflows from reporting units		
- CFMEU M&E	50,000	-
- CFMEU National	20,000	-
- CFMEU M&E QLD	30,000	-
- CFMEU M&E NSW	5,000	-
- CFMEU C&G VIC	29,536	29,536
Cash outflows from reporting units		
- CFMEU M&E	159,820	265,010
- CFMEU C&G	5,153	6,295

17 Events after the end of the Reporting Period

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

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

ABN: 38 442 492 093

Notes to the Financial Statements

For the Year Ended 31 December 2013

18 Section 272 Fair Work (Registered Organisations) Act 2009

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

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

1. A member of a reporting unit, or the General Manager of Fair Work Australia, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
3. A reporting unit must comply with an application made under subsection (1)

19 Recovery of wages activity

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



Daley & Co

chartered accountants

Integrated Financial Solutions

Independent Audit Report to the members of

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

Report on the Financial Report

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

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

The Board of Management and the Accounting Officer are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisation) Act 2009, and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

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



Daley & Co
chartered accountants

Integrated Financial Solutions

Independent Audit Report to the members of

Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Construction Forestry Mining and Energy Union Mining and Energy Division Victorian District Branch (a Division of The Construction, Forestry, Mining & Energy Union - Mining & Energy Division), as at 31 December 2013, and of its financial performance and cash flows for the year then ended in accordance with:

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

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

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

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

Daley & Co

Daley & Co
Chartered Accountants

Michael Mundt

Michael Mundt
Partner FCA

Wollongong

Dated 12 March 2014

Liability is limited by a scheme approved under Professional Standards Legislation

CFMEU Mining & Energy Division - Victoria
Remuneration Disclosure for Officers for the year ended 31 December 2013

<i>Official</i>	<i>Cash Benefits</i>					<i>Non Cash Benefits</i>
	<i>Gross Earnings</i>	<i>Employer Superannuation Contributions</i>	<i>Travel Allowances</i>	<i>Other Income</i>	<i>Termination Payments</i>	<i>Grossed Up Fringe Benefits</i>
Luke van der Meulen	152,280.59	18,179.58	425.00	-	-	7,104.00
Greg Hardy	152,908.17	18,138.78	85.00	-	-	12,935.00

Salary: Salary levels are reviewed annually with any changes taking effect from 1 July. The applicable base salary for all full time officials from 1 July 2013 is \$155,900

Salary amounts also include annual leave (including leave loading), sick leave and long service leave.

Allowances: Domestic Travel - an \$85 overnight allowance is paid. Any other applicable allowances are paid in accordance with the ATO issued reasonable allowances.

Other Income: No other income was provided in 2013

Termination Payments: Include payments of unused employee entitlements and applicable redundancy payments.

Grossed up Fringe Benefits: These include non cash benefits provided to Officials, where FBT is applicable. Each Full time official is provided with a fully maintained motor vehicle. It should be noted that a number of above benefits are not a reportable fringe benefit.

Other non cash benefits such as mobile phones and other electronic work devices are exempt benefits for FBT purposes and are considered immaterial for the purpose of this report.

The Fringe Benefits Tax year runs from 1 April to 31 March.

Disclosure of Boards or Committees where remuneration is paid:

During the year ended 31 December 2013, there were no officials on Boards and/or Committees associated with their roles with the Union.

Disclosure of Material Personal Interests:

- All Officials of the CFMEU Mining & Energy Division – National Office have provided declarations as to their Material Personal Interests.

- There are no material personal interests held which are required to be disclosed.

Related Party Transactions:

a) During the 2013 year loans totalling \$399,560 were granted to members of the District.

Relatives of the Elected Officials have been entitled to and have received loan funds, however the terms and conditions of these loans were identical to that provided to other members.

b) Salary & Wages totalling \$18,110 were paid during the year to a relative of an elected official for the provision of administration services on a part-time basis. Terms and conditions were within a normal employee relationship and no more favourable than those available to other employees.

**Construction Forestry Mining and Energy Union Mining & Energy Division –
Victorian District Branch**

s.268 *Fair Work (Registered Organisations) Act 2009*

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER¹

Certificate for the period ended 31 December 2013

I, Luke Van der Meulen being the president of the Construction Forestry Mining and Energy Union Mining & Energy Division – Victorian District Branch certify:

- that the documents lodged herewith are copies of the full report for the Construction Forestry Mining and Energy Union Mining & Energy Division – Victorian District Branch for the period ended 31 December 2013 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *full report* was provided to members of the reporting unit on 27th April 2014; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 12 March 2014 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer:

Luke van der Meulen

Title of prescribed designated officer:

President

Dated:

10 July 2014

¹ Regulation 162 of the Fair Work (Registered Organisations) Regulations 2009 defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:
(a) the secretary; or
(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

**Construction Forestry Mining and Energy Union Mining & Energy Division –
Victorian District Branch**

s.268 *Fair Work (Registered Organisations) Act 2009*

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER¹

Certificate for the period ended 31 December 2013

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- that the documents lodged herewith are copies of the full report for the Construction Forestry Mining and Energy Union Mining & Energy Division – Victorian District Branch for the period ended 31 December 2013 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *full report* was provided to members of the reporting unit on 27th April 2014; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 12 March 2014 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer:

Luke van der Meulen

Title of prescribed designated officer:

President

Dated:

10 July 2014

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(a) the secretary; or
(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.



3 March 2014

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 - [FR2013/494]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

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

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

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

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

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

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

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

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

Yours sincerely,

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
<p>(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.</p> <p>(b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).</p>	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	<p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.