



# Fair Work Australia

Mr John Sutton  
National Secretary,  
Construction, Forestry, Mining and Energy Union  
PO Box Q235, QVB Post Office  
SYDNEY NSW 1230



Dear Mr Sutton

**Lodgment of Financial Accounts and Statements – s268 Schedule 1 of *Workplace Relations Act 1996* (RAO Schedule) - Construction, Forestry, Mining and Energy Union  
- for year ending 31 December 2008 (FR2008/562)**

I refer to the abovementioned financial accounts and statements which were lodged in the Industrial Registry on 26 June 2009.

I note that at page 24 a list of “Donation or Grant Expenses” for amounts over \$1,000 is provided. Pursuant to s237(6) of the RAO Schedule, additional particulars such as the “purpose for which the grant or donation was made” and “the address of the person to whom the grant or donation was made” should have been shown.

The documents appear to have otherwise met all the legislative requirements and accordingly have been filed.

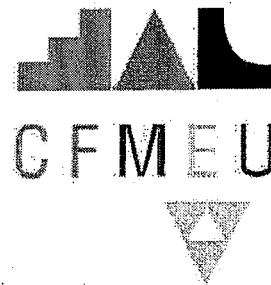
Yours sincerely,

Stephen Kellett  
Statutory Services Branch

22 July 2009



25 June 2009



Industrial Registrar  
Australian Industrial Registry  
L 8/80 William Street  
Sydney NSW 2011

By Email: [orgs@airc.gov.au](mailto:orgs@airc.gov.au)

Dear Sir/Madam,

**Re: Financial Returns**

Please find enclosed herewith the financial returns of the Construction Forestry Mining and Energy Union National Office for the year ending 31 December 2008.

Please confirm receipt at your earliest convenience.

Yours faithfully

John Sutton  
National Secretary  
CFMEU

Enc.

**Construction, Forestry Mining and Energy Union  
NATIONAL OFFICE**

**FOR THE YEAR ENDED 31 DECEMBER 2008**

**SECRETARY'S CERTIFICATE**

Pursuant to Section 268 of Schedule 1 of the Workplace Relations Act 1996, I, John David Sutton certify that the auditor's report, accounts and statements of the CFMEU National Office for the year ended 31 December 2008, annexed hereto and provided to members on and after 28 May 2009 are copies of the documents presented to the meeting of the National Executive Committee on 28 May 2009.



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National Secretary  
CFMEU

18 June 2009

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
NATIONAL OFFICE**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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## OPERATING REPORT

Your Committee of Management present their Operating Report on the Union for the year ended 31 December 2008.

### *Committee of Management*

The names of Committee of Management (COM) in office at any time during the year are:

Name	Position	Period of Appointment
Tony Maher	National President	1/1/2008 to 31/12/2008
John Sutton	National Secretary	1/1/2008 to 31/12/2008
Peter Murray	National Executive Committee	1/1/2008 to 19/12/2008
Andrew Vickers	National Executive Committee	1/1/2008 to 31/12/2008
Michael O'Connor	National Executive Committee	1/1/2008 to 31/12/2008
Leo Skourdombis	National Executive Committee	1/1/2008 to 31/12/2008
Jane Calvert	National Executive Committee	1/1/2008 to 31/12/2008
Albert Littler	National Executive Committee	1/1/2008 to 31/12/2008
Tim Woods	National Executive Committee	1/1/2008 to 20/3/2008
Dave Noonan	National Executive Committee	1/1/2008 to 31/12/2008
Lindsay Fraser	National Executive Committee	1/1/2008 to 31/12/2008
Tom Watson	National Executive Committee	1/1/2008 to 31/12/2008
Kevin Reynolds	National Executive Committee	1/1/2008 to 31/12/2008
Andrew Ferguson	National Executive Committee	1/1/2008 to 31/12/2008
Martin Kingham	National Executive Committee	1/1/2008 to 31/12/2008
Ian Murray	National Executive Committee	20/9/2008 to 31/12/2008
Alex Millar	National Executive Committee	29/10/08 to 31/12/2008

### *Principal Activities*

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

- Adherence to the rules of the Union in furtherance of the objects of the Union consistent with the industrial relations legislation.
- Implementation of the decisions of the National Executive Committee.
- Industrial support including assistance with legal and legislative matters.

### *Results of Activities*

The result for the year was a Loss of \$17,768 (2007: Profit of \$15,537).

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

The Union has successfully recruited new members in conjunction with a national objective of recruitment and training.

### *Significant Changes in Nature of Activities*

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

## OPERATING REPORT

Continued

### *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 111,000 members of the Union as at 31 December 2008 (2007: 103,850).

### *Rights of Members to Resign*

All members of the Union have the right to resign in accordance with Rule 11(1) of the Union Rules (and section 174 of the Workplace Relations Act), namely, by providing written notice addressed and delivered to the Union Secretary.

### *Employees of the Union*

As at 31 December 2008 the Union employed 2 full time employees (2007: 3).

### *Superannuation Trustees*

Mr John Sutton was the National Secretary of the Union for the year and is a director of United Super Pty Ltd which acts as Trustee of C Bus.

Mr Dave Noonan is a director of United Super Pty Ltd which acts as Trustee of C Bus.

Mr Andrew Ferguson holds an alternate directorship (on behalf of Mr John Sutton and Mr Dave Noonan) of United Super Pty Ltd which acts as Trustee of C Bus.

Mr Albert Littler is a director of United Super Pty Ltd which acts as Trustee of C Bus. Mr Martin Kingham holds an alternate directorship (on behalf of Mr Albert Littler) of United Super Pty Ltd which acts as Trustee of C Bus.

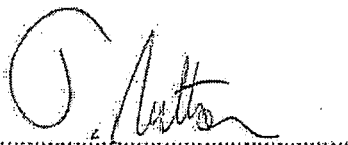
Mrs Jane Calvert is a director of the Timber Industry Superannuation Scheme (TISS).

Mr Michael O'Connor is a director of TISS and FIRST.

Mr Tim Woods is a director of the Pulp and Paper Workers Superannuation Fund.

No 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.



John Sutton

Dated this 28 day of May 2009.

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COMMITTEE OF MANAGERMENTS' CERTIFICATE

On 30<sup>th</sup> April 2009, the Committee of Management of the Construction, Forestry, Mining and Energy Union – National Office passed the following resolution in relation to the financial report of the Union, for the year ended 31 December 2008:

The Committee of Management declares in relation to the general purpose financial report 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 Industrial Registrar;
- 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; and
- e) During the financial year to which the general purpose financial report relates and since the end of that year:-
  - (i) Meetings of the 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 RAO Schedules and the RAO Regulations; and
  - (iv) The financial records of the Union have been kept, as far as practicable, in a consistent manner to each other reporting unit of the organisation; and
  - (v) No information has been sought in any request of a member of the Union or by a Registrar duly made under section 272 of the RAO Schedule; and
  - (vi) No orders have been made by the Commission in regard to inspection of financial records under section 273 of the RAO Schedule.

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

  
.....  
John Sutton

Dated this 28 day of May 2009.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS  
OF THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION – NATIONAL OFFICE**

*Report on the Financial Report*

We have audited the accompanying financial report of the Construction, Forestry, Mining and Energy Union – National Office ("the Union"), which comprises the Balance Sheet as at 31 December 2008 and the Income Statement, 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 Committee of Management Statement.

*Committee of Management's Responsibility for the Financial Report*

The Union's Committee of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

*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. 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 report is free from material misstatement.

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

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Union's financial position, and of its performance as represented by the results of its operations and cash flows.

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



INDEPENDENT AUDIT REPORT TO THE MEMBERS  
OF THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION – NATIONAL OFFICE  
(Continued)

AUDIT OPINION

In our opinion, the general purpose financial report of the Construction, Forestry, Mining and Energy Union – National Office is in accordance with:

- (a) The Workplace Relations Act 1996, including:
  - (i) Giving a true and fair value of the Union's financial position as at 31 December 2008 and of its performance for the year ended on that date; and
  - (ii) Complying with Accounting Standards in Australia and other mandatory professional reporting requirements.
- (b) The requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Act.

*Daley & Co.*

DALEY & CO  
Chartered Accountants  
98 Kembla Street  
Wollongong NSW 2500

Dated this 28<sup>th</sup> day of May 2009.

*M. L. Gleeson*

M. L. Gleeson  
Registered Company Auditor

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**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	NOTES	2008 \$	2007 \$
<b>REVENUES</b>	3	<u>951,155</u>	<u>889,847</u>
<b>EXPENSES</b>			
Affiliation Fees		284,568	287,608
Employee Benefits		317,794	283,146
Depreciation and Amortisation Expense		8,041	8,632
Meeting and Conferences		113,750	61,987
Operating Expenditure		<u>244,770</u>	<u>232,937</u>
		<u>968,923</u>	<u>874,310</u>
<b>NET RESULT ATTRIBUTABLE TO MEMBERS</b>		<u>(17,768)</u>	<u>15,537</u>

The accompanying notes form part of this financial report

**BALANCE SHEET  
AS AT 31 DECEMBER 2008**

	NOTES	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	5	407,275	661,190
Trade and Other Receivables	6	84,428	61,997
Other	7	15,855	16,211
<b>TOTAL CURRENT ASSETS</b>		<u>507,558</u>	<u>739,398</u>
<b>NON-CURRENT ASSETS</b>			
Plant & Equipment	8	22,650	29,176
<b>TOTAL NON-CURRENT ASSETS</b>		<u>22,650</u>	<u>29,176</u>
<b>TOTAL ASSETS</b>		<u>530,208</u>	<u>768,574</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	35,429	251,487
Provisions	10	121,706	111,070
GST Liability		8,448	23,624
<b>TOTAL CURRENT LIABILITIES</b>		<u>165,583</u>	<u>386,181</u>
<b>TOTAL LIABILITIES</b>		<u>165,583</u>	<u>386,181</u>
<b>NET ASSETS</b>		<u>364,625</u>	<u>382,393</u>
<b>MEMBERS FUNDS</b>			
Accumulated Members' Funds		<u>364,625</u>	<u>382,393</u>

The accompanying notes form part of this financial report

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$
Opening Balance as at 1 January	382,393	366,856
Net Result Attributable to Members	(17,768)	15,537
Closing Balance as at 31 December	<u>364,625</u>	<u>382,393</u>

The accompanying notes form part of this financial report

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	NOTES	2008 \$	2007 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Members		853,642	896,018
Receipts from Interest		28,765	25,530
Receipts from Sitting Fees		46,317	44,175
Other income received		-	-
Payments to Suppliers and Employees		(1,181,124)	(647,559)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>13(A)</b>	<b>(252,400)</b>	<b>318,164</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Property, Plant & Equipment		-	-
Payment for Property, Plant & Equipment		(1,515)	(8,711)
<b>NET USED IN INVESTING ACTIVITIES</b>		<b>(1,515)</b>	<b>(8,711)</b>
<b>NET INCREASE / (DECREASE) IN CASH HELD</b>		<b>(253,915)</b>	<b>309,453</b>
<b>CASH AT THE START OF THE FINANCIAL YEAR</b>		<b>661,190</b>	<b>351,737</b>
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	<b>13(B)</b>	<b>407,275</b>	<b>661,190</b>

The accompanying notes form part of this financial report

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**1. STATEMENT OF ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements imposed by the reporting Guidelines of Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act, 1996.

The financial report is for the entity Construction Forestry Mining and Energy Union – National Office, as an individual entity. This organisation is registered under the Workplace Relations Act 1996 and domiciled in Australia. In accordance with the 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.

The financial report complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

**Basis of Preparation**

*Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis, except where specifically stated, and is based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied.

**Accounting Policies**

(a) PLANT AND EQUIPMENT

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

**Plant and Equipment**

Plant and Equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Union 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Union and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

Continued

**1. STATEMENT OF ACCOUNTING POLICIES**

Continued

**(a) PLANT & EQUIPMENT**

CONTINUED

**Depreciation**

The depreciation amount of all fixed assets including capitalised lease assets (where applicable) is depreciated on a straight line basis over their useful lives to the Union. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Furniture, Fittings and Equipment	7.50 - 20%
Motor Vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Balance Sheet date.

An assets' 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 income statement.

**(b) INCOME TAX**

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

**(c) EMPLOYEE BENEFITS**

Provision is made in respect of the Union's liability for employee benefits arising from services rendered by officers and employees to balance date.

Long service leave is accrued in respect of all officers and employees with more than 5 years service. Related on-costs are included in these provisions.

Contributions are made to employee superannuation funds and are charged as expenses where incurred.

**(d) REVENUE**

Revenue from capitation fees are recognised on an accruals basis.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

Continued

**1. STATEMENT OF ACCOUNTING POLICIES**

Continued

(e) FINANCIAL INSTRUMENTS

**Recognition**

Financial instruments are initially measured at cost on trade date, which included transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

**Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

**Held-to-Maturity Investments**

These investments have fixed maturities, and it is the Union's intention to hold these investments to maturity. Any held-to-maturity investments held by the Union are stated at amortised cost using the effective interest rate method.

**Available-for-Sale Financial Assets**

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

**Financial Liabilities**

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

**Impairment**

At each reporting date, 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 income statement.

(f) IMPAIRMENT OF ASSETS

At each reporting date, the Union reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and 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 income statement.

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

Continued

**1. STATEMENT OF ACCOUNTING POLICIES**

Continued

(g) 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.

(h) 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 Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

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

(i) COMPARATIVE FIGURES

Where required, comparative figures have been adjusted to conform to changes in presentation in the current financial year.

**2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of Schedule 1B which reads as follows:

- (1) A member of a Union, or a Registrar, may apply to the Union for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) An application must be made 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 Union.
- (3) The Union must comply with an application made under subsection (1).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

*Continued*

	2008 \$	2007 \$
<b>3. REVENUE</b>		
<i>Operating Revenues</i>		
Capitation Fees	802,725	805,633
Sitting Fees	46,317	44,175
Interest Received	28,765	25,530
Other Income	23,968	14,509
Distributions – National Development Fund	49,380	-
	<u>951,155</u>	<u>889,847</u>
<b>4. PROFIT FOR THE YEAR</b>		
(a) EXPENSES		
Depreciation of Non-Current Assets		
Motor Vehicles	4,180	5,145
Plant & Equipment	3,861	3,487
Total Depreciation	<u>8,041</u>	<u>8,632</u>
Movements In Employee Entitlements	10,636	16,241
Bad Debts: Receivables		-
Remuneration of Auditors		
- Auditing the Financial Report	6,000	8,860
- Accounting & Taxation Services	3,151	3,370
<b>5. CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	700	700
Cash at Bank	65,466	147,654
Business Direct Savings	341,109	512,836
	<u>407,275</u>	<u>661,190</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

Continued

	2008	2007
	\$	\$
<b>6. TRADE AND OTHER RECEIVABLES</b>		
Current		
Sundry Debtors	30,725	25,109
Distribution Receivable – National Development Fund	49,380	-
Accounts Due from Branches – Capitation Fees	4,323	36,888
<b>TOTAL RECEIVABLES</b>	<u>84,428</u>	<u>61,997</u>
 (i) The funds advanced have no set repayment date. Interest is not charged on the amount advanced.		
<i>Amounts Relating to:-</i>		
CFMEU – Construction & General Division	21,404	14,365
CFMEU – FEDFA Division	-	-
CFMEU – FFTS Division	-	-
CFMEU – Mining & Energy Division	4,323	-
CFMEU – Forest & Forestry Products Division	-	36,888
CFMEU – Construction & General Division, NSW Branch	-	-
CFMEU – FFTS Division – NSW Branch	-	-
	<u>25,727</u>	<u>51,253</u>
 <b>7. OTHER</b>		
Prepayments	<u>15,855</u>	<u>16,211</u>
 <b>8. PROPERTY, PLANT &amp; EQUIPMENT</b>		
<b>FURNITURE, FITTINGS &amp; EQUIPMENT</b>		
At Cost	14,646	13,131
Accumulated Depreciation	<u>(10,111)</u>	<u>(6,250)</u>
	4,535	6,881
 <b>MOTOR VEHICLES</b>		
At Cost	28,016	28,016
Accumulated Depreciation	<u>(9,901)</u>	<u>(5,721)</u>
	18,115	22,295
 <b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<u>22,650</u>	<u>29,176</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

Continued

8. PROPERTY, PLANT & EQUIPMENT

Continued

Movements In Carrying Amounts

Movements in the carrying amounts (written down values) for each class of property, plant and equipment between the start and end of the current financial year.

	FURNITURE, FITTINGS & EQUIPMENT	MOTOR VEHICLES	TOTAL
Balance at Start of Year	6,881	22,295	29,176
Additions	1,515	-	1,515
Disposals – Assets	-	-	-
Amort/Depreciation Expense	(3,861)	(4,180)	(8,041)
Disposals – Accum Dep'n	-	-	-
Balance at End of Year	4,535	18,115	22,650

	2008 \$	2007 \$
9. TRADE AND OTHER PAYABLES		
Sundry Creditors	35,429	251,487
<i>Amounts Relating to:-</i>		
CFMEU – Mining & Energy Division	-	93,000
CFMEU – Forest & Forestry Products Division	-	91,250
CFMEU – Construction & General Division	8,064	4,457
	8,064	188,707

10. PROVISIONS

	Provision for Annual Leave \$	Other Employee Entitlements \$	TOTAL \$
Opening balance at 1 January 2008	48,874	62,196	111,070
Amounts Transferred In	-	-	-
Additional provisions	10,833	5,989	16,822
Amounts Paid Out	(6,186)	-	(6,186)
Balance at 31 December 2008	53,521	68,185	121,706

(a) Analysis of ageing of provisions

Current	121,706	111,070
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(b) Number of Employees at Balance Date

2	3
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(c) Total Employee Benefits Attributable to:

Office Holders	115,722	101,972
Staff	5,984	9,098
	121,706	111,070

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

Continued

**11. CONTINGENT LIABILITIES**

A contingent liability may exist in relation to debts incurred by the Divisions of the Union for which the National Office may become liable under the rules of the Union. Disclosure for such liabilities are not brought to account in the National Office on the basis that each Division is a separate reporting entity responsible for disclosing its own contingent and other liabilities.

The Union and specified officials are being sued for as yet unspecified damages in an action arising from an alleged industrial dispute. The National Executive is of the opinion that the action can be successfully defended by the Union which is challenging the action. Given the complex nature of this action and advice of legal counsel, it is not practicable to estimate the potential financial impact, if any, of this action at this time.

The information usually required by AASB 137 Provisions, Contingent Liabilities and Contingent Assets, is not disclosed on the grounds it can be expected to prejudice seriously the outcome of the litigation.

**12. ECONOMIC DEPENDENCE**

The principal source of income for the Union is capitation fees from its Divisions. Accordingly, the National Office is economically dependent on the ability of the Divisions to continue to service the needs of its members on industrial and workplace matters.

	2008	2007
	\$	\$
<b>13. CASH FLOW INFORMATION</b>		
<b>(A) RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH OPERATING RESULT</b>		
Net Operating Result	(17,768)	15,537
<b>Non-Cash Flows in Net Result</b>		
Depreciation	8,041	8,632
Increase / (Decrease) in Employee Benefits	10,636	16,241
Loss on Sale of Fixed Assets	-	-
<b>Changes in Assets and Liabilities</b>		
(Increase) / Decrease in Sundry Debtors	(22,431)	75,876
(Increase) / Decrease in Prepayments	356	(11,691)
Increase / (Decrease) in Sundry Creditors	(216,058)	196,267
Increase / (Decrease) in Tax Liability	(15,176)	17,302
<b>CASH FLOWS FROM OPERATIONS</b>	<u>(252,400)</u>	<u>318,164</u>

**(B) RECONCILIATION OF CASH**

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to terms in the Balance Sheet as follows:

• Cash [Note 5]	<u>407,275</u>	<u>661,190</u>
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

Continued

	2008 \$	2007 \$
<b>13. CASH FLOW INFORMATION</b>		
Continued		
(C) NET CASH FLOWS (EXCLUDING GST) RELATING TO ANOTHER REPORTING UNITS OF THE ORGANISATION ARE AS FOLLOWS:		
CFMEU – Construction and General Division	520,863	502,012
CFMEU – Mining and Energy Division	187,943	150,381
CFMEU – Forest and Forest Products Division	171,204	145,618
	<u>880,010</u>	<u>798,011</u>

**14. LEGAL AND PROFESSIONAL FEES & EXPENSES**

Amounts received, or due and receivable, by the auditor for:

▪ Auditing	6,000	8,860
▪ Accounting fees	3,151	3,370
▪ Legal Expenses	-	-
<b>TOTAL</b>	<u>9,151</u>	<u>12,230</u>

**15. AMOUNTS DUE FROM DIVISIONS - CAPITATION FEES**  
(Amounts are inclusive of GST)

	BALANCE OWING (31.12.07)	AMOUNTS CHARGED	CASH RECEIVED	BALANCE OWING (31.12.08)
Construction and General Division	-	559,020	(559,020)	-
Forest & Forest Products Division	36,888	154,577	(191,465)	-
Mining & Energy Division	-	169,400	(164,645)	4,755
	<u>36,888</u>	<u>882,997</u>	<u>(915,130)</u>	<u>4,755</u>

**16. ORGANISATION DETAILS**

The Union is a Trade Union registered and domiciled in Australia. The registered office and principle place of business of the Union is: Level 12, 276 Pitt Street, Sydney NSW 2000.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

Continued

**17. EVENTS SUBSEQUENT TO BALANCE DATE**

(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 in May 2009 by the Board of Management.

**18. KEY MANAGEMENT PERSONNEL COMPENSATION**

**Key Management Personnel**

- Mr John Sutton
- Mr Hamish Quinn
- Mr Sean Marshall

	2008 \$	2007 \$
Total Compensation		
- Short Term Benefits	274,559	248,339
- Post Employment Benefits	38,135	38,412
- Long Term Benefits	2,871	2,734
	<u>315,565</u>	<u>289,485</u>

**19. 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:

Name	Position
➤ Tony Maher	National President
➤ John Sutton	National Secretary
➤ Peter Murray	National Executive Committee
➤ Andrew Vickers	National Executive Committee
➤ Michael O'Connor	National Executive Committee
➤ Leo Skourdoumbis	National Executive Committee
➤ Jane Calvert	National Executive Committee
➤ Albert Littler	National Executive Committee
➤ Tim Woods	National Executive Committee
➤ Dave Noonan	National Executive Committee
➤ Lindsay Fraser	National Executive Committee
➤ Tom Watson	National Executive Committee
➤ Kevin Reynolds	National Executive Committee
➤ Andrew Ferguson	National Executive Committee
➤ Martin Kingham	National Executive Committee
➤ Ian Murray	National Executive Committee
➤ Alex Millar	National Executive Committee

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

Continued

**19. RELATED PARTY INFORMATION**

Continued

**(b) RELATED PARTY TRANSACTIONS**

**Other related parties**

- i) Rent and Administration charges were paid to Construction, Forestry, Mining and Energy Union – Construction and General Division totaling \$78,411 (2007: \$80,371).
- ii) Directors fees totaling \$21,866 (2007: \$20,532) were received from the Construction & Building Industry Super (CBUS) by the Union in respect of board attendances by Mr John Sutton.
- iii) Directors fees totaling \$7,500 (2007: \$7,500) were received from ACIRT by the Union in respect of board attendances by Mr John Sutton.
- iv) Directors fees totaling \$16,556 (2007: \$20,081) were received from ISPT by the Union in respect of board attendances by Mr John Sutton.

**20. OPERATING LEASE AND CAPITAL EXPENDITURE COMMITMENTS**

**(a) Operating Lease Commitment**

A commitment exists in respect of the sub-lease of floor area within premises situated at Pitt Street, Sydney. The maximum amount committed plus the maximum extension of options is as follows :-

	2008	2007
	\$	\$
The total operating lease commitments are:		
Due within 1 year	78,411	78,411
Due within 1-2 years	-	-
	<u>78,411</u>	<u>78,411</u>

**(b) Capital Expenditure Commitment**

There are no material capital commitments at 31 December 2008.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

Continued

**21. FINANCIAL RISK MANAGEMENT**

**(a) Financial Risk Management Policies**

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

The Board of Managements' overall risk management strategy seeks to assist the Union in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The Union does not have any derivative instruments at 31 December 2008.

***Financial Risk Exposures and Management***

The main risks the Union is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

**i. Interest rate risk**

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the company to cash flow interest risk. The Union's Investment Policy requires it to manage interest rate risk by adopting an appropriate mix of fixed and variable rate instruments.

**ii. Liquidity risk**

The Union manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

**iii. Credit risk**

The maximum exposure to credit risk at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Union does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Union.

There are no material amounts of collateral held as security at 31 December 2008.

Credit risk is managed by the Union and reviewed regularly by the Board of Management. It arises from exposures to members as well as through deposits with financial institutions.

The Union monitors the credit risk by actively assessing the rating quality and liquidity of counterparties:

- Banks with an 'A' rating are utilised ;
- Other approved deposit taking institutions (ie. Credit Unions) are utilised ;and
- Institutions which are covered by the Federal Government deposit and wholesale funding guarantee scheme are utilised.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

Continued

21. FINANCIAL RISK MANAGEMENT continued

(b) Financial Instruments: Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

2008	WEIGHTED AVERAGE EFFECTIVE INTEREST RATES %	FLOATING INTEREST RATE \$	FIXED INTEREST RATE MATURING		NON INTEREST BEARING \$	TOTAL \$
			WITHIN 1 YEAR \$	BETWEEN 1 & 5 YEARS \$		
<b>Financial Assets</b>						
Cash at Bank	4.35%	407,275	-	-	-	407,275
Receivables		-	-	-	84,428	84,428
<b>Total Financial Assets</b>		<b>407,275</b>	<b>-</b>	<b>-</b>	<b>84,428</b>	<b>491,703</b>
<b>Financial Liabilities</b>						
Trade & Sundry Creditors	-	-	-	-	35,429	35,429
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>35,429</b>	<b>35,429</b>
<b>2007</b>						
2007	WEIGHTED AVERAGE EFFECTIVE INTEREST RATES %	FLOATING INTEREST RATE \$	FIXED INTEREST RATE MATURING		NON INTEREST BEARING \$	TOTAL \$
			WITHIN 1 YEAR \$	BETWEEN 1 & 5 YEARS \$		
<b>Financial Assets</b>						
Cash at Bank	5.45%	661,190	-	-	-	661,190
Receivables		-	-	-	61,997	61,997
<b>Total Financial Assets</b>		<b>661,190</b>	<b>-</b>	<b>-</b>	<b>61,997</b>	<b>723,187</b>
<b>Financial Liabilities</b>						
Trade & Sundry Creditors	-	-	-	-	249,487	249,487
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>249,487</b>	<b>249,487</b>

(c) Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008  
Continued

21. FINANCIAL RISK MANAGEMENT

Continued

Sensitivity analysis

(i) Interest rate risk

The Union has performed a sensitivity analysis relating to its exposure to interest rate risk and price risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in these risks.

As at 31 December 2008, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2008 \$	2007 \$
<b>Change in profit</b>		
— Increase in interest rate by 1%	4,066	6,605
— Decrease in interest rate by 1%	(4,066)	(6,605)
<b>Change in equity</b>		
— Increase in interest rate by 1%	4,066	6,605
— Decrease in interest rate by 1%	(4,066)	(6,605)

22. CAPITAL MANAGEMENT

Management controls the capital of the Union in order to maintain a good debt to equity ratio and to ensure that the Union can fund its operations and continue as a going concern.

All debt in the Balance Sheet is interest-free and is not entered into with the view of managing the capital of the Union. At entering into the loan agreements, the funds received are set aside in highly liquid cash and investment accounts, as shown below.

The gearing ratios for the years ended 31 December 2008 and 31 December 2007 are as follows:

	2008 \$	2007 \$
Financial liabilities	-	-
Trade and other payables	35,429	249,480
Total	35,429	249,480
Less: Cash and cash equivalents	407,275	661,190
Net debt	-	-
Total equity	364,625	382,393
Total capital	364,625	382,393
Gearing ratio	0%	0%

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

Continued

23. ADDITIONAL DISCLOSURES REQUIRED UNDER THE RAO SCHEDULE

In accordance with the requirements of Section 255 of Schedule 1B [the Registration and Accountability of Organisations (RAO) schedule], the following necessary disclosures are made:

	2008 \$	2007 \$
i) ITEMS OF REVENUE		
Donations or Grants Income	-	-
ii) ITEMS OF EXPENSE		
Affiliation fees/subscriptions to organisations with an interest in industrial matters.	284,568	287,608
Donations or Grant Expenses:		
• [REDACTED]	[REDACTED]	[REDACTED]
• [REDACTED]	-	[REDACTED]
• [REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	-
[REDACTED]	-	[REDACTED]
• [REDACTED]	[REDACTED]	[REDACTED]
• [REDACTED]	-	[REDACTED]
• [REDACTED]	-	-
• [REDACTED]	[REDACTED]	-
• [REDACTED]	[REDACTED]	-
• [REDACTED]	[REDACTED]	[REDACTED]
• General (< \$1,000)	410	1,750
	<u>48,455</u>	<u>64,250</u>
Employee Benefits Expense:		
- Office Holders	113,762	113,838
- Employees (Other than Office Holders)	168,080	133,569
	<u>281,842</u>	<u>247,407</u>
Expenses incurred in connection with meetings of members, councils, committees, panels to other bodies for which the Union was wholly or partly responsible.	<u>114,743</u>	<u>93,903</u>



**Australian Government**  
**Australian Industrial Registry**

12 January 2009

Mr John Sutton  
National Secretary  
Construction, Forestry, Mining and Energy Union  
12<sup>th</sup> Floor, 276 Pitt Street  
SYDNEY NSW 2000



Dear Mr Sutton

**Lodgement of Financial Statements and Accounts - Construction, Forestry, Mining and Energy Union - Schedule 1 of *Workplace Relations Act 1996* (RAO Schedule) - for year ended 31 December 2008 (FR2008/562)**

The financial year of the Construction, Forestry, Mining and Energy Union, National Office, has recently ended. This is a courtesy letter to remind the organisation of the obligations imposed by the RAO Schedule regarding the preparation of financial accounts and statements.

I direct your attention to our website <http://www.airc.gov.au/registered/FR/information.htm> where detailed information including Fact sheets, sample documents, the Registrar's Reporting Guidelines and the Schedule provisions and RAO Regulations may be found.

The time frame for completing the audit, presentation and lodgment of the National Office's return will expire - unless a one month extension under s265(5) is granted - on 14 July 2009.

The presentation of the full report to an appropriate meeting in accordance with s266 should occur after copies of the report have been distributed, published, internet-posted or otherwise provided in accordance with s265(5) to the members of the organisation.

The Registry strongly encourages you to lodge documents electronically by sending an email with the documents attached to [orgs@airc.gov.au](mailto:orgs@airc.gov.au). Alternatively, you may wish to send the documents by fax to (02) 9380 6990.

If you need any further information or assistance or if you do not believe that the documents will be lodged within the timeframe specified please contact me on [REDACTED] or by email at [stephen.kellett@airc.gov.au](mailto:stephen.kellett@airc.gov.au).

Yours sincerely,

Stephen Kellett  
Statutory Services Branch