



FAIR WORK
AUSTRALIA

30 November 2011

Mr Michael O'Connor
National Secretary, Forestry, Furnishing Building Products and Manufacturing Division
Construction, Forestry, Mining and Energy Union
148-152 Miller Street
WEST MELBOURNE VIC 3003



Dear Mr O'Connor

Lodgment of Financial Accounts and Statements - Construction, Forestry, Mining and Energy Union - for year ended 31 December 2010 (FR2010/2840)

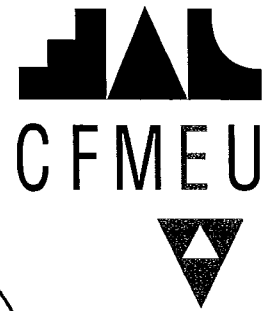
Thank you for lodging the abovementioned financial accounts and statements which were received by Fair Work Australia on 15 November 2011.

The documents have been filed.

I draw your attention to Note 20 on page 21 which itemizes various donation amounts exceeding \$1,000. These amounts should be included in a separate statement showing the prescribed particulars including *the address* of the recipients, pursuant to sub-section 237(6) of the *Fair Work (Registered Organisations) Act 2009* and lodged at your earliest opportunity if you have not already done so.

Yours sincerely,

Stephen Kellett
Organisations, Research and Advice Branch
Fair Work Australia



14 November 2011

Mr S Kellett
Fair Work Australia
Level 8
80 William Street
East Sydney NSW 2011



Dear Stephen

Re: CFMEU National Office Financial Statements for year ended 31 December 2010

Please find enclosed the signed CFMEU National Office Financial Statements for the year ended 31 December 2010 and Certificate by Secretary or Prescribed Designated Officer.

Yours sincerely

B Disken

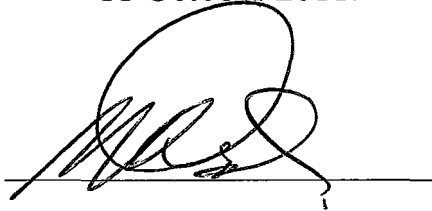
Barry Disken
Financial Controller

**CERTIFICATE BY SECRETARY OR PRESCRIBED
DESIGNATED OFFICER**

S268 Fair Work (Registered Organisations) Act 2009

I, Michael O'Connor prescribed designated officer, certify that the enclosed documents lodged, consisting of the general purpose financial report of the Construction, Forestry, Mining & Energy Union National Office for the year ended 31 December 2010.

- are copies of the documents provided to members from 31 August 2011.
- were subsequently presented to a meeting in accordance with section 266, being a meeting of committee of management held on 11 October 2011.

A handwritten signature in black ink, appearing to be 'M O'Connor', is written over a horizontal line. The signature is fluid and cursive.

National Secretary
Construction, Forestry, Mining & Energy Union
National Office

Date 14 November 2011

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

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

CONTENTS

1 - 2	Operating Report
3	Committee of Management Statement
4	Statement of Comprehensive Income
5	Balance Sheet
6	Statement of Changes in Equity
7	Cash Flow Statement
8 - 21	Notes to the Financial Statements
22 - 23	Independent Auditor's Report to the Members

OPERATING REPORT

The Committee of Management of the Construction Forestry Mining and Energy Union National Office ("the Union") present their Operating Report on the Union for the year ended 31 December 2010.

Committee of Management

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

NAME	POSITION	PERIOD OF APPOINTMENT
Tony Maher	National President	1/1/10 to 31/12/10
John Sutton **	National Secretary	1/1/10 to 31/12/10
Andrew Vickers	National Executive Committee	1/1/10 to 31/12/10
Michael O'Connor	National Executive Committee	1/1/10 to 31/12/10
Leo Skourdombis	National Executive Committee	1/1/10 to 31/12/10
Jane Calvert	National Executive Committee	1/1/10 to 31/12/10
Wayne McAndrew	National Executive Committee	1/1/10 to 31/12/10
Dave Noonan	National Executive Committee	1/1/10 to 31/12/10
Lindsay Fraser	National Executive Committee	1/1/10 to 31/12/10
Tom Watson	National Executive Committee	1/1/10 to 31/12/10
Peter McClelland	National Executive Committee	1/1/10 to 31/12/10
Michael Ravbar	National Executive Committee	1/1/10 to 31/12/10
Frank O'Grady	National Executive Committee	1/1/10 to 31/12/10
Bill Oliver	National Executive Committee	1/1/10 to 31/12/10
Ian Murray	National Executive Committee	1/1/10 to 31/12/10
Alex Millar	National Executive Committee	1/1/10 to 31/12/10

** John Sutton ceased his role as National Secretary 31 December, 2010.

Principal Activities

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

- Implementation of decision of the National Executive Committee.
- Maintenance of Union Rules, Registrations and Affiliations.
- Conducting Activities for Parliamentary, Divisional and Divisional Branch elections, including assisting with statutory requirements.
- Representing the Union's interest on various national committees and organisations.
- Co-ordinating the involvement of the Union in relevant international trade union bodies and conferences.
- Providing prime responsibility of initiating and leading the conduct of legal action launched in defence of the Union's work.

Results of Activities

The result of the Union for the financial year was a loss of \$149,615 (2009: Loss \$8,835).

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.

OPERATING REPORT (Continued)

Significant Changes in Nature of Activities

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

Significant Changes in Financial Affairs

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

Membership of the Union

There were 106,796 financial members of the Union as at 31 December 2010 (2009: 100,565).

Rights of Members to Resign

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

Employees of the Union

As at 31 December 2010 the Union employed 2 full time employees (2009: 4).

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 Frank O'Grady is a director of United Super Pty Ltd which acts as Trustee of C Bus.

Ms Jane Calvert is a director of the FIRST Superannuation Fund.

Mr Michael O'Connor is a director of FIRST Superannuation Fund.

Mr Alex Millar is a director of the FIRST 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.



.....
**Michael O'Connor
National Secretary**

Dated this 15th day of June 2011.

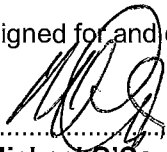
COMMITTEE OF MANAGEMENT STATEMENT

On 15th of June, 2011 the Committee of Management of Construction Forestry Mining and Energy Union National Office ("the Union"), passed the following resolution in relation to the general purpose financial report (GPFR) of the Union, for the financial year ended 31 December 2010:

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

- (a) The financial statements and notes comply with Australian Accounting Standards;
- (b) The financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year to which they relate;
- (d) There are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable;
- (e) During the financial year to which the GPFR relates and since the end of that year:-
 - (i) Meetings of the Committee of Management were held in accordance with the rules of the Union; and
 - (ii) The financial affairs of the Union have been managed in accordance with the rules of the Union; and
 - (iii) The financial records of the Union have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 ('The RO Act') and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) No information has been sought in any request of a member of the Union or by the General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (v) No orders for inspection of financial records have been made by Fair Work Australia or FWA under section 273 of the Fair Work (Registered Organisations) Act 2009; and
- (f) During the financial year ended 31 December 2010 no recovery of wages activities have been undertaken by the Union.

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



.....
Michael O'Connor
National Secretary

Dated this 15th day of June 2011.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010**

	NOTES	2010 \$	2009 \$
REVENUE	2	<u>1,122,849</u>	<u>1,016,195</u>
EXPENSES			
Affiliation Fees		322,525	292,730
Employee Benefits		554,659	398,893
Depreciation and Amortisation Expense		7,337	7,154
Meeting and Conferences		95,226	106,236
Loss on Disposal of Assets		4,315	2,983
Operating Expenditure		<u>288,402</u>	<u>217,034</u>
Total Expenses		<u>1,272,464</u>	<u>1,025,030</u>
Result for the Year		<u>(149,615)</u>	<u>(8,835)</u>
Other Comprehensive Income Items		-	-
Total Comprehensive Income for the Year		<u>-</u>	<u>-</u>
Total Comprehensive Income Attributable to Members		<u>(149,615)</u>	<u>(8,835)</u>

The accompanying notes form part of these financial statements

**Construction Forestry Mining and Energy Union
National Office**

**BALANCE SHEET
AS AT 31 DECEMBER 2010**

	NOTE	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	326,806	479,614
Trade and Other Receivables	5	71,967	63,005
Other Assets	7	18,522	36,602
TOTAL CURRENT ASSETS		<u>417,295</u>	<u>579,221</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	<u>2,334</u>	<u>32,168</u>
TOTAL NON-CURRENT ASSETS		<u>2,334</u>	<u>32,168</u>
TOTAL ASSETS		<u>419,629</u>	<u>611,389</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	9	188,508	100,111
Short-term Provisions	10	<u>24,946</u>	<u>155,488</u>
TOTAL CURRENT LIABILITIES		<u>213,454</u>	<u>255,599</u>
TOTAL LIABILITIES		<u>213,454</u>	<u>255,599</u>
NET ASSETS		<u>206,175</u>	<u>355,790</u>
EQUITY			
Retained Earnings		<u>206,175</u>	<u>355,790</u>
TOTAL EQUITY		<u>206,175</u>	<u>355,790</u>

The accompanying notes form part of these financial statements

**Construction Forestry Mining and Energy Union
National Office**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$
Balance as at 1 January	355,790	364,625
Result for the year	<u>(149,615)</u>	<u>(8,835)</u>
Closing Balance as at 31 December	<u><u>206,175</u></u>	<u><u>355,790</u></u>

The accompanying notes form part of these financial statements

**Construction Forestry Mining and Energy Union
National Office**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	NOTE	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Membership Levies Received		858,195	892,052
Other Receipts		262,838	52,057
Payment to Suppliers and Employees		(1,351,248)	(918,671)
Interest Received		19,300	18,094
Attendance Fees		39,925	48,462
Net cash (used in) / generated from operating activities	12	<u>(170,990)</u>	<u>91,994</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant and Equipment		18,182	13,181
Purchase of Property, Plant and Equipment		-	(32,836)
Net cash generated from / (used in) investing activities		<u>18,182</u>	<u>(19,655)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		-	-
Repayment of Borrowings		-	-
Net cash (used in) financing activities		<u>-</u>	<u>-</u>
Net (decrease) / increase in cash held		(152,808)	72,339
Cash and cash equivalents at the start of the financial year		479,614	407,275
Cash and cash equivalents at the end of the financial year	4	<u>326,806</u>	<u>479,614</u>

The accompanying notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation

Construction Forestry Mining and Energy Union National Office has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 January 2010.

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

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

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a) Revenue

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

Donations and bequests are recognised as revenue when received.

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

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

b) Property, Plant and Equipment

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

Property, Plant and Equipment

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

b) Property, Plant and Equipment

Continued....

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

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

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Furniture, Fittings and Equipment	7 – 20%
Motor Vehicles	20 – 25%

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

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

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

c) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Union commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

c) Financial Instruments

Continued...

Amortised cost is calculated as:

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

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

i) Financial Assets at Fair Value through Profit or Loss

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

ii) Loans and Receivables

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

iii) Held-to-Maturity Investments

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

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting period.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

c) Financial Instruments

Continued....

iv) Available-for-Sale Financial Assets

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

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after reporting date. (All other financial assets are classified as current assets).

v) Financial Liabilities

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

Fair Value

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

Impairment

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

Derecognition

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

d) Impairment of Assets

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

d) Impairment of Assets

Continued...

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

e) Employee Benefits

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

Long services 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.

f) 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.

g) Goods and Services Tax (GST)

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

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.

h) Income Tax

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

i) Provisions

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

j) Trade and Other Payables

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

k) Comparatives

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

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

l) Critical Accounting Estimates and Judgments

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

Key Estimates – Impairment

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
2. REVENUE AND OTHER INCOME		
Revenue		
Service Revenue		
Capitation Fees	858,195	869,298
Attendance Fees	39,925	48,462
	<u>898,120</u>	<u>917,760</u>
Other Revenue		
Interest Received	19,300	18,094
Other Income	4,940	1,331
National Conference Contributions	36,341	-
Donations Received	100,000	-
Grants Received	64,148	79,010
	<u>224,729</u>	<u>98,435</u>
Total Revenue	<u>1,122,849</u>	<u>1,016,195</u>
3. RESULT FOR THE YEAR		
(a) Expenses		
Depreciation and Amortisation Expense	7,337	7,154
Movement in Entitlements	(130,633)	29,717
Remuneration Of Auditors		
- Auditing the Financial Accounts	9,620	8,500
- Accounting and Taxation Services	6,360	6,092
4. CASH AND CASH EQUIVALENTS		
Cash on Hand	700	700
Cash at Bank	326,106	478,914
	<u>326,806</u>	<u>479,614</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
5. TRADE AND OTHER RECEIVABLES		
Current		
Sundry Debtors	31,992	63,005
Accounts Due from Branches – National Conference	39,975	-
Accounts Due from Branches – Capitation Fees	-	-
TOTAL RECEIVABLES	<u>71,967</u>	<u>63,005</u>

(i) The funds advanced have no set repayment date. Interest is not charged on the amount advanced.

Amounts Relating to:-

CFMEU – Construction & General Division	15,457	26,334
CFMEU – FFTS Division	-	2,368
CFMEU – Mining & Energy Division	12,259	-
CFMEU – Forest & Forestry Products Division	12,259	-
CFMEU – Construction & General Division, NSW Branch	-	-
	<u>39,975</u>	<u>28,702</u>

6. AMOUNTS DUE FROM BRANCHES - CAPITATION LEVIES

	Balance Owing 31/12/09 \$	Add Amounts Charged \$	Less Cash Received \$	Balance Owing 31/12/10 \$
Construction and General	-	607,662	(607,662)	-
Forest & Forest Production Division	-	149,243	(149,243)	-
Mining & Energy Division	-	187,110	(187,110)	-
TOTAL	<u>-</u>	<u>944,015</u>	<u>(944,015)</u>	<u>-</u>

The amount of GST included in the "Amounts Charged" is \$85,819 (2009: \$86,929).

	2010 \$	2009 \$
7. OTHER ASSETS		
Prepayments	<u>18,522</u>	<u>36,602</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
8. PROPERTY, PLANT AND EQUIPMENT		
Motor Vehicles		
At Cost	-	29,638
Less Accumulated Depreciation	-	(1,949)
	<u>-</u>	<u>27,689</u>
Furniture, Fittings and Equipment		
At Cost	14,807	14,807
Less Accumulated Depreciation	(12,473)	(10,328)
	<u>2,334</u>	<u>4,479</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>2,334</u>	<u>32,168</u>

(a) Movements in Carrying Amounts

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

	Opening WDV \$	Additions \$	Disposals \$	Depreciation Expense \$	Closing WDV \$
2010					
Motor Vehicles	27,689	-	(22,497)	(5,192)	-
Furniture, Fittings and Equipment	4,479	-	-	(2,145)	2,334
	<u>32,168</u>	<u>-</u>	<u>(22,497)</u>	<u>(7,337)</u>	<u>2,334</u>

9. TRADE AND OTHER PAYABLES

Trade and Other Payables	<u>188,508</u>	<u>100,111</u>
--------------------------	----------------	----------------

Included in the above are the following superannuation amounts payable as at balance date:

- Officers	2,580	2,820
- All Other Employees	2,680	-
	<u>5,260</u>	<u>2,820</u>

(a) Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables	188,508	100,111
Less deferred income	-	-
Financial liabilities as trade and other payables	<u>188,508</u>	<u>100,111</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
10. PROVISIONS		
Employee Benefits	24,946	155,488
Analysis of Total Provisions		
Current	24,946	155,488
Non-Current	-	-
	<u>24,946</u>	<u>155,488</u>

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to annual leave and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 of the financial statements.

(a) Employee Benefits Attributable to:

Office Holders	-	133,006
Staff	24,946	22,482
	<u>24,946</u>	<u>155,488</u>

11. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

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

Payable - Minimum lease payments

- Not later than 12 months	-	56,432
- Later than 12 months but not later than 5 years	-	-
	<u>-</u>	<u>56,432</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
12. CASH FLOW INFORMATION		
(a) Reconciliation of Cash Flows from Operations with Result after Income Tax		
Operating Result after Income Tax	(149,615)	(8,835)
Non Cash Flows		
Depreciation	7,337	7,154
Profit on Sale of Property, Plant and Equipment	4,315	2,983
Changes in Assets and Liabilities		
Decrease/(Increase) in Trade and Other Receivables	(8,962)	21,423
Decrease/(Increase) in Other Assets	18,080	(20,747)
Increase/(Decrease) in Trade and Other Payables	88,397	56,234
Increase/(Decrease) in Provisions	(130,542)	33,782
	<u>(170,990)</u>	<u>91,994</u>
(b) Net cash flows (excluding GST) relating to another reporting unit of the Union are as follows:		
CFMEU – Mining & Energy Division	191,736	175,779
CFMEU – Forest & Forest Products Division	155,247	136,868
CFMEU – Construction & General Division	563,674	501,410

13. KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to key management personnel (KMP) of the Company during the year are as follows:

Short term, post employment compensation	263,558	253,948
Termination benefit compensation	113,073	-
Key management personnel compensation	<u>376,631</u>	<u>253,948</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

14. RELATED PARTY INFORMATION

(a) Members of the Committee of Management

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

Name	Position
Tony Maher	National President
John Sutton	National Secretary
Andrew Vickers	National Executive Committee
Michael O'Connor	National Executive Committee
Leo Skourdombis	National Executive Committee
Jane Calvert	National Executive Committee
Wayne McAndrew	National Executive Committee
Dave Noonan	National Executive Committee
Lindsay Fraser	National Executive Committee
Tom Watson	National Executive Committee
Peter McClelland	National Executive Committee
Michael Ravbar	National Executive Committee
Frank O'Grady	National Executive Committee
Bill Oliver	National Executive Committee
Ian Murray	National Executive Committee
Alex Millar	National Executive Committee

Refer to the Operating Report for details of change of appointment dates and positions.

15. FINANCIAL RISK MANAGEMENT

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

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

	NOTE	2010 \$	2009 \$
Financial Assets			
Cash and cash equivalents	4	326,806	479,614
Trade and other receivables	5	71,967	63,005
		<u>398,773</u>	<u>542,619</u>
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	9	188,508	100,111
- Borrowings		-	-
		<u>188,508</u>	<u>100,111</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

16. CONTINGENT LIABILITIES AND ASSETS

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.

17. 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

18. EVENTS AFTER THE REPORTING PERIOD

- (a) No matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect:
 - (i) the operations of the Union;
 - (ii) the results of those operations; or
 - (iii) the state of affairs of the Union, in subsequent financial years. ■
- (b) The financial report was authorised for issue on the 15th of June 2011 by the Committee of Management.

19. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF CONSTRUCTION FORESTRY MINING AND ENERGY UNION NATIONAL OFFICE**

We have audited the accompanying financial statements of Construction Forestry Mining and Energy Union National Office (the Union), which comprises the Balance Sheet as at 31 December 2010 and the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of the significant accounting policies and other explanatory notes and the Committee of Management Statement.

Committee of Management's Responsibility for the Financial Statements

The Union's Committee of Management are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards' reduced disclosure requirements (including the Australian Accounting Interpretations) and Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 ('The RO Act'). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are 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. In Note 1, the Committee of Management also state, in accordance with Accounting Standards AASB 101: Presentation of Financial Statements, that compliance with Australian Standards' reduced disclosure requirements ensure that the financial report, comprising the financial statements and notes, complies with Australian Accounting Standards' reduced disclosure requirements

Auditor's Responsibility

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

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

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

Independence

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


**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF CONSTRUCTION FORESTRY MINING AND ENERGY UNION NATIONAL OFFICE**

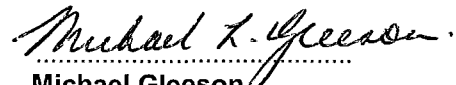
Continued...

Auditor's Opinion

In our opinion, the general purpose financial report of the Construction Forestry Mining and Energy Union National Office, as at 31 December 2010 and for the year then ended, is presented fairly in accordance with:

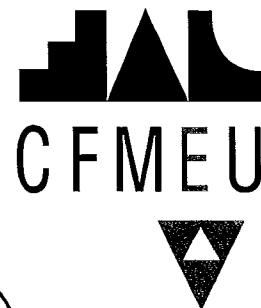
- (a) Accounting Standards' reduced disclosure requirements (including the Australian Accounting Interpretations); and
- (b) The Fair Work (Registered Organisations) Act 2009 ('The RO Act'), including the requirements imposed by Part 3 of Chapter 8 of the RO Act.


.....
Daley & Co
Chartered Accountants
98 Kembla Street
Wollongong NSW 2500


.....
Michael Gleeson
Partner

Dated this 15th day of June 2011.

Liability limited by a scheme approved under Professional Standards Legislation



14 November 2011

Mr S Kellett
Fair Work Australia
Level 8
80 William Street
East Sydney NSW 2011



Dear Stephen

Re: CFMEU National Office Financial Statements for year ended 31 December 2010

Please find enclosed the signed CFMEU National Office Financial Statements for the year ended 31 December 2010 and Certificate by Secretary or Prescribed Designated Officer.

Yours sincerely

B Disken


Barry Disken
Financial Controller

**CERTIFICATE BY SECRETARY OR PRESCRIBED
DESIGNATED OFFICER**

S268 Fair Work (Registered Organisations) Act 2009

I, Michael O'Connor prescribed designated officer, certify that the enclosed documents lodged, consisting of the general purpose financial report of the Construction, Forestry, Mining & Energy Union National Office for the year ended 31 December 2010.

- are copies of the documents provided to members from 31 August 2011.
- were subsequently presented to a meeting in accordance with section 266, being a meeting of committee of management held on 11 October 2011.

A handwritten signature in black ink, appearing to be 'M O'Connor', is written over a horizontal line.

National Secretary
Construction, Forestry, Mining & Energy Union
National Office

Date 14 November 2011

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

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

CONTENTS

1 - 2	Operating Report
3	Committee of Management Statement
4	Statement of Comprehensive Income
5	Balance Sheet
6	Statement of Changes in Equity
7	Cash Flow Statement
8 - 21	Notes to the Financial Statements
22 - 23	Independent Auditor's Report to the Members

OPERATING REPORT

The Committee of Management of the Construction Forestry Mining and Energy Union National Office ("the Union") present their Operating Report on the Union for the year ended 31 December 2010.

Committee of Management

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

NAME	POSITION	PERIOD OF APPOINTMENT
Tony Maher	National President	1/1/10 to 31/12/10
John Sutton **	National Secretary	1/1/10 to 31/12/10
Andrew Vickers	National Executive Committee	1/1/10 to 31/12/10
Michael O'Connor	National Executive Committee	1/1/10 to 31/12/10
Leo Skourdoumbis	National Executive Committee	1/1/10 to 31/12/10
Jane Calvert	National Executive Committee	1/1/10 to 31/12/10
Wayne McAndrew	National Executive Committee	1/1/10 to 31/12/10
Dave Noonan	National Executive Committee	1/1/10 to 31/12/10
Lindsay Fraser	National Executive Committee	1/1/10 to 31/12/10
Tom Watson	National Executive Committee	1/1/10 to 31/12/10
Peter McClelland	National Executive Committee	1/1/10 to 31/12/10
Michael Ravbar	National Executive Committee	1/1/10 to 31/12/10
Frank O'Grady	National Executive Committee	1/1/10 to 31/12/10
Bill Oliver	National Executive Committee	1/1/10 to 31/12/10
Ian Murray	National Executive Committee	1/1/10 to 31/12/10
Alex Millar	National Executive Committee	1/1/10 to 31/12/10

** John Sutton ceased his role as National Secretary 31 December, 2010.

Principal Activities

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

- Implementation of decision of the National Executive Committee.
- Maintenance of Union Rules, Registrations and Affiliations.
- Conducting Activities for Parliamentary, Divisional and Divisional Branch elections, including assisting with statutory requirements.
- Representing the Union's interest on various national committees and organisations.
- Co-ordinating the involvement of the Union in relevant international trade union bodies and conferences.
- Providing prime responsibility of initiating and leading the conduct of legal action launched in defence of the Union's work.

Results of Activities

The result of the Union for the financial year was a loss of \$149,615 (2009: Loss \$8,835).

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.

OPERATING REPORT (Continued)

Significant Changes in Nature of Activities

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

Significant Changes in Financial Affairs

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

Membership of the Union

There were 106,796 financial members of the Union as at 31 December 2010 (2009: 100,565).

Rights of Members to Resign

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

Employees of the Union

As at 31 December 2010 the Union employed 2 full time employees (2009: 4).

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 Frank O'Grady is a director of United Super Pty Ltd which acts as Trustee of C Bus.

Ms Jane Calvert is a director of the FIRST Superannuation Fund.

Mr Michael O'Connor is a director of FIRST Superannuation Fund.

Mr Alex Millar is a director of the FIRST 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.



**Michael O'Connor
National Secretary**

Dated this 15th day of June 2011.

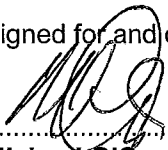
COMMITTEE OF MANAGEMENT STATEMENT

On 15th of June, 2011 the Committee of Management of Construction Forestry Mining and Energy Union National Office ("the Union"), passed the following resolution in relation to the general purpose financial report (GPFR) of the Union, for the financial year ended 31 December 2010:

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

- (a) The financial statements and notes comply with Australian Accounting Standards;
- (b) The financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year to which they relate;
- (d) There are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable;
- (e) During the financial year to which the GPFR relates and since the end of that year:-
 - (i) Meetings of the Committee of Management were held in accordance with the rules of the Union; and
 - (ii) The financial affairs of the Union have been managed in accordance with the rules of the Union; and
 - (iii) The financial records of the Union have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 ('The RO Act') and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) No information has been sought in any request of a member of the Union or by the General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (v) No orders for inspection of financial records have been made by Fair Work Australia or FWA under section 273 of the Fair Work (Registered Organisations) Act 2009; and
- (f) During the financial year ended 31 December 2010 no recovery of wages activities have been undertaken by the Union.

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



.....
Michael O'Connor
National Secretary

Dated this 15th day of June 2011.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010**

	NOTES	2010 \$	2009 \$
REVENUE	2	<u>1,122,849</u>	<u>1,016,195</u>
EXPENSES			
Affiliation Fees		322,525	292,730
Employee Benefits		554,659	398,893
Depreciation and Amortisation Expense		7,337	7,154
Meeting and Conferences		95,226	106,236
Loss on Disposal of Assets		4,315	2,983
Operating Expenditure		288,402	217,034
Total Expenses		<u>1,272,464</u>	<u>1,025,030</u>
Result for the Year		<u>(149,615)</u>	<u>(8,835)</u>
Other Comprehensive Income Items		-	-
Total Comprehensive Income for the Year		<u>-</u>	<u>-</u>
Total Comprehensive Income Attributable to Members		<u>(149,615)</u>	<u>(8,835)</u>

The accompanying notes form part of these financial statements

**Construction Forestry Mining and Energy Union
National Office**

**BALANCE SHEET
AS AT 31 DECEMBER 2010**

	NOTE	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	326,806	479,614
Trade and Other Receivables	5	71,967	63,005
Other Assets	7	18,522	36,602
TOTAL CURRENT ASSETS		<u>417,295</u>	<u>579,221</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	2,334	32,168
TOTAL NON-CURRENT ASSETS		<u>2,334</u>	<u>32,168</u>
TOTAL ASSETS		<u>419,629</u>	<u>611,389</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	9	188,508	100,111
Short-term Provisions	10	24,946	155,488
TOTAL CURRENT LIABILITIES		<u>213,454</u>	<u>255,599</u>
TOTAL LIABILITIES		<u>213,454</u>	<u>255,599</u>
NET ASSETS		<u>206,175</u>	<u>355,790</u>
EQUITY			
Retained Earnings		<u>206,175</u>	<u>355,790</u>
TOTAL EQUITY		<u>206,175</u>	<u>355,790</u>

The accompanying notes form part of these financial statements

**Construction Forestry Mining and Energy Union
National Office**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$
Balance as at 1 January	355,790	364,625
Result for the year	<u>(149,615)</u>	<u>(8,835)</u>
Closing Balance as at 31 December	<u>206,175</u>	<u>355,790</u>

The accompanying notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	NOTE	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Membership Levies Received		858,195	892,052
Other Receipts		262,838	52,057
Payment to Suppliers and Employees		(1,351,248)	(918,671)
Interest Received		19,300	18,094
Attendance Fees		39,925	48,462
Net cash (used in) / generated from operating activities	12	<u>(170,990)</u>	<u>91,994</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant and Equipment		18,182	13,181
Purchase of Property, Plant and Equipment		-	(32,836)
Net cash generated from / (used in) investing activities		<u>18,182</u>	<u>(19,655)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		-	-
Repayment of Borrowings		-	-
Net cash (used in) financing activities		<u>-</u>	<u>-</u>
Net (decrease) / increase in cash held		(152,808)	72,339
Cash and cash equivalents at the start of the financial year		<u>479,614</u>	<u>407,275</u>
Cash and cash equivalents at the end of the financial year	4	<u><u>326,806</u></u>	<u><u>479,614</u></u>

The accompanying notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation

Construction Forestry Mining and Energy Union National Office has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 January 2010.

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

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

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a) Revenue

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

Donations and bequests are recognised as revenue when received.

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

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

b) Property, Plant and Equipment

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

Property, Plant and Equipment

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

b) Property, Plant and Equipment

Continued....

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

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

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Furniture, Fittings and Equipment	7 – 20%
Motor Vehicles	20 – 25%

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

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

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

c) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Union commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

c) Financial Instruments

Continued...

Amortised cost is calculated as:

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

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

i) Financial Assets at Fair Value through Profit or Loss

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

ii) Loans and Receivables

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

iii) Held-to-Maturity Investments

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

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting period.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

c) Financial Instruments

Continued....

iv) *Available-for-Sale Financial Assets*

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

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after reporting date. (All other financial assets are classified as current assets).

v) *Financial Liabilities*

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

Fair Value

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

Impairment

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

Derecognition

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

d) **Impairment of Assets**

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

d) Impairment of Assets

Continued...

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

e) Employee Benefits

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

Long services 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.

f) 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.

g) Goods and Services Tax (GST)

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

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.

h) Income Tax

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

i) Provisions

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

j) Trade and Other Payables

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

k) Comparatives

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

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

l) Critical Accounting Estimates and Judgments

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

Key Estimates – Impairment

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
2. REVENUE AND OTHER INCOME		
Revenue		
Service Revenue		
Capitation Fees	858,195	869,298
Attendance Fees	39,925	48,462
	<u>898,120</u>	<u>917,760</u>
Other Revenue		
Interest Received	19,300	18,094
Other Income	4,940	1,331
National Conference Contributions	36,341	-
Donations Received	100,000	-
Grants Received	64,148	79,010
	<u>224,729</u>	<u>98,435</u>
Total Revenue	<u>1,122,849</u>	<u>1,016,195</u>
3. RESULT FOR THE YEAR		
(a) Expenses		
Depreciation and Amortisation Expense	7,337	7,154
Movement in Entitlements	(130,633)	29,717
Remuneration Of Auditors		
- Auditing the Financial Accounts	9,620	8,500
- Accounting and Taxation Services	6,360	6,092
4. CASH AND CASH EQUIVALENTS		
Cash on Hand	700	700
Cash at Bank	326,106	478,914
	<u>326,806</u>	<u>479,614</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
5. TRADE AND OTHER RECEIVABLES		
Current		
Sundry Debtors	31,992	63,005
Accounts Due from Branches – National Conference	39,975	-
Accounts Due from Branches – Capitation Fees	-	-
TOTAL RECEIVABLES	<u>71,967</u>	<u>63,005</u>

(i) The funds advanced have no set repayment date. Interest is not charged on the amount advanced.

Amounts Relating to:-

CFMEU – Construction & General Division	15,457	26,334
CFMEU – FFTS Division	-	2,368
CFMEU – Mining & Energy Division	12,259	-
CFMEU – Forest & Forestry Products Division	12,259	-
CFMEU – Construction & General Division, NSW Branch	-	-
	<u>39,975</u>	<u>28,702</u>

6. AMOUNTS DUE FROM BRANCHES - CAPITATION LEVIES

	Balance Owing 31/12/09 \$	Add Amounts Charged \$	Less Cash Received \$	Balance Owing 31/12/10 \$
Construction and General	-	607,662	(607,662)	-
Forest & Forest Production Division	-	149,243	(149,243)	-
Mining & Energy Division	-	187,110	(187,110)	-
TOTAL	<u>-</u>	<u>944,015</u>	<u>(944,015)</u>	<u>-</u>

The amount of GST included in the "Amounts Charged" is \$85,819 (2009: \$86,929).

	2010 \$	2009 \$
7. OTHER ASSETS		
Prepayments	<u>18,522</u>	<u>36,602</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
8. PROPERTY, PLANT AND EQUIPMENT		
Motor Vehicles		
At Cost	-	29,638
Less Accumulated Depreciation	-	(1,949)
	<u>-</u>	<u>27,689</u>
Furniture, Fittings and Equipment		
At Cost	14,807	14,807
Less Accumulated Depreciation	(12,473)	(10,328)
	<u>2,334</u>	<u>4,479</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>2,334</u>	<u>32,168</u>

(a) Movements in Carrying Amounts

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

	Opening WDV \$	Additions \$	Disposals \$	Depreciation Expense \$	Closing WDV \$
2010					
Motor Vehicles	27,689	-	(22,497)	(5,192)	-
Furniture, Fittings and Equipment	4,479	-	-	(2,145)	2,334
	<u>32,168</u>	<u>-</u>	<u>(22,497)</u>	<u>(7,337)</u>	<u>2,334</u>

9. TRADE AND OTHER PAYABLES

Trade and Other Payables	<u>188,508</u>	<u>100,111</u>
--------------------------	----------------	----------------

Included in the above are the following superannuation amounts payable as at balance date:

- Officers	2,580	2,820
- All Other Employees	2,680	-
	<u>5,260</u>	<u>2,820</u>

(a) Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables	188,508	100,111
Less deferred income	-	-
Financial liabilities as trade and other payables	<u>188,508</u>	<u>100,111</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
10. PROVISIONS		
Employee Benefits	24,946	155,488
Analysis of Total Provisions		
Current	24,946	155,488
Non-Current	-	-
	<u>24,946</u>	<u>155,488</u>

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to annual leave and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 of the financial statements.

(a) Employee Benefits Attributable to:

Office Holders	-	133,006
Staff	24,946	22,482
	<u>24,946</u>	<u>155,488</u>

11. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

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

Payable - Minimum lease payments

- Not later than 12 months	-	56,432
- Later than 12 months but not later than 5 years	-	-
	<u>-</u>	<u>56,432</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
12. CASH FLOW INFORMATION		
(a) Reconciliation of Cash Flows from Operations with Result after Income Tax		
Operating Result after Income Tax	(149,615)	(8,835)
Non Cash Flows		
Depreciation	7,337	7,154
Profit on Sale of Property, Plant and Equipment	4,315	2,983
Changes in Assets and Liabilities		
Decrease/(Increase) in Trade and Other Receivables	(8,962)	21,423
Decrease/(Increase) in Other Assets	18,080	(20,747)
Increase/(Decrease) in Trade and Other Payables	88,397	56,234
Increase/(Decrease) in Provisions	(130,542)	33,782
	<u>(170,990)</u>	<u>91,994</u>
(b) Net cash flows (excluding GST) relating to another reporting unit of the Union are as follows:		
CFMEU – Mining & Energy Division	191,736	175,779
CFMEU – Forest & Forest Products Division	155,247	136,868
CFMEU – Construction & General Division	563,674	501,410

13. KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to key management personnel (KMP) of the Company during the year are as follows:

Short term, post employment compensation	263,558	253,948
Termination benefit compensation	113,073	-
Key management personnel compensation	<u>376,631</u>	<u>253,948</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

14. RELATED PARTY INFORMATION

(a) Members of the Committee of Management

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

Name	Position
Tony Maher	National President
John Sutton	National Secretary
Andrew Vickers	National Executive Committee
Michael O'Connor	National Executive Committee
Leo Skourdoumbis	National Executive Committee
Jane Calvert	National Executive Committee
Wayne McAndrew	National Executive Committee
Dave Noonan	National Executive Committee
Lindsay Fraser	National Executive Committee
Tom Watson	National Executive Committee
Peter McClelland	National Executive Committee
Michael Ravbar	National Executive Committee
Frank O'Grady	National Executive Committee
Bill Oliver	National Executive Committee
Ian Murray	National Executive Committee
Alex Millar	National Executive Committee

Refer to the Operating Report for details of change of appointment dates and positions.

15. FINANCIAL RISK MANAGEMENT

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

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

	NOTE	2010 \$	2009 \$
Financial Assets			
Cash and cash equivalents	4	326,806	479,614
Trade and other receivables	5	71,967	63,005
		<u>398,773</u>	<u>542,619</u>
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	9	188,508	100,111
- Borrowings		-	-
		<u>188,508</u>	<u>100,111</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

16. CONTINGENT LIABILITIES AND ASSETS

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.

17. 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

18. EVENTS AFTER THE REPORTING PERIOD

- (a) No matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect:
 - (i) the operations of the Union;
 - (ii) the results of those operations; or
 - (iii) the state of affairs of the Union, in subsequent financial years.
- (b) The financial report was authorised for issue on the 15th of June 2011 by the Committee of Management.

19. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

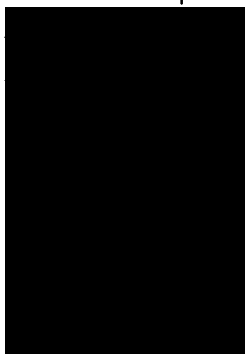


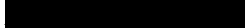
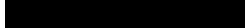
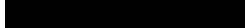
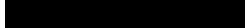
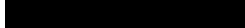
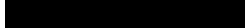
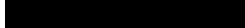
In accordance with the requirements of subsection 272(5) of the RO Act, attention is drawn to the requirements of subsections (1), (2) and (3) of section 272 of the RO Act, which read as follows:-

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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

Accountability of Organisations (RAO) schedule, the following necessary disclosures are made:

	2010	2009
	\$	\$
i) ITEMS OF REVENUE		
Donations or Grants Income	<u>200,148</u>	<u>79,010</u>
ii) ITEMS OF EXPENSE		
Affiliation fees/subscriptions to organisations with an interest in industrial matters.	<u>322,525</u>	<u>292,730</u>
Donations or Grant Expenses.		
• 		
• 		
• 		
• 		
• 		
• 		
• 		
• 		
• General (< \$1,000)	<u>2,295</u>	<u>800</u>
	<u>177,895</u>	<u>76,800</u>
Employee Benefits Expense:		
- Office Holders	241,677	125,089
- Employees (Other than Office Holders)	<u>279,831</u>	<u>204,349</u>
	<u>521,508</u>	<u>329,438</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>29,640</u>	<u>84,669</u>

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF CONSTRUCTION FORESTRY MINING AND ENERGY UNION NATIONAL OFFICE**

We have audited the accompanying financial statements of Construction Forestry Mining and Energy Union National Office (the Union), which comprises the Balance Sheet as at 31 December 2010 and the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of the significant accounting policies and other explanatory notes and the Committee of Management Statement.

Committee of Management's Responsibility for the Financial Statements

The Union's Committee of Management are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards' reduced disclosure requirements (including the Australian Accounting Interpretations) and Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 ('The RO Act'). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are 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. In Note 1, the Committee of Management also state, in accordance with Accounting Standards AASB 101: Presentation of Financial Statements, that compliance with Australian Standards' reduced disclosure requirements ensure that the financial report, comprising the financial statements and notes, complies with Australian Accounting Standards' reduced disclosure requirements

Auditor's Responsibility

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

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

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

Independence

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

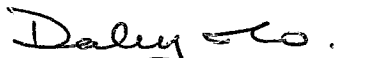
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF CONSTRUCTION FORESTRY MINING AND ENERGY UNION NATIONAL OFFICE**

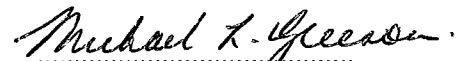
Continued...

Auditor's Opinion

In our opinion, the general purpose financial report of the Construction Forestry Mining and Energy Union National Office, as at 31 December 2010 and for the year then ended, is presented fairly in accordance with:

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


.....
Daley & Co.
Chartered Accountants
98 Kembla Street
Wollongong NSW 2500


.....
Michael Gleeson
Partner

Dated this 15th day of June 2011.

Liability limited by a scheme approved under Professional Standards Legislation