



FAIR WORK
AUSTRALIA

18 December 2012

Mr Michael O'Connor
National Secretary
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 2011 (FR2011/2846)**

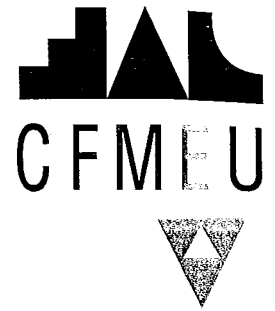
I refer to the abovementioned financial accounts and statements which were received by Fair Work Australia on 21 November 2012.

As a result of internal advice as to the correct interpretation of sub-sections 254(2)(a) and (b) of the *Fair Work (Registered Organisations) Act 2009* I have identified two issues of detail on the Operating Report which should be kept in mind when preparing next year's Operating Report. I attach a copy of my examination of the Operating Report and explained the details to the Financial Controller, Mr Barry Disken.

The documents have been filed. There is no further action required in respect of the above financial statements and accounts.

Yours sincerely,

Stephen Kellett
Regulatory Compliance Branch
Fair Work Australia



20 November 2012

Mr S Kellet
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 2011

Please find enclosed the signed CFMEU National Office Financial Statements for the year ended 31 December 2011 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 2011.

- are copies of the documents provided to members from 14 November 2012.
- were subsequently presented to a meeting in accordance with section 266, being a meeting of committee of management held on 15 November 2012.

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

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

Date 19 November 2012



**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE
ABN 17 402 743 835**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011**

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE
ABN 17 402 743 835**

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 ("Act") the Committee of Management present their Operating Report on the Construction Forestry Mining and Energy Union National Office, the relevant Reporting Unit for the financial year ended 31 December 2011.

Principal Activities –

The principal activities of the Union during the financial 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.

Operating Result

The operating loss of the Union for the financial year was \$151,715 (2010: \$149,615). No provision for tax was necessary as the Union is exempt from income tax.

Significant change

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

Rights of Members

Pursuant to the Reporting Unit rules and Section 174 of the Fair Work (Registered Organisations) Act 2009, members have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Reporting Unit.

A notice of resignation from membership of the Union takes effect:

- (a) where the member ceases to be eligible to become a member of the Union
 - (i) on the day on which the notice is received by the Union
 - (ii) on the day specified in the notice which is a day not earlier than the day when the member ceases to be eligible to become a member;
whichever is the later, or
- (b) in any other case:
 - (i) at the end of two weeks after the notice is received by the Union, or
 - (ii) on the day specified in the notice
whichever is the later.

Superannuation Officeholders

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

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

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

Mr Alex Millar is a director of the FIRST Superannuation Fund.

No other officer or member of the reporting unit:

- a) is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- b) is a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE
ABN 17 402 743 835**

OPERATING REPORT continued

Other Prescribed Information


In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009 ("Regulations"):

- (a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the Act and who are taken to be members of the Union under section 244 of the Act was 111,593 (2010: 106,796).
- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 4.
- (c) the names of each person who have been a member of the Committee of Management of the Union at any time during the reporting period, and the period for which he or she held such a position were;

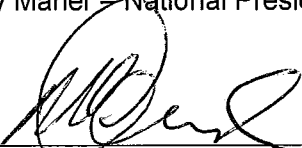
Name of member	Position on the board
Tony Maher	National President
Andrew Vickers	National Vice President
Michael O'Connor	National Secretary
Dave Noonan	National Assistant Secretary
Leo Skourdoumbis	National Vice President
Jane Calvert	National Executive Committee
Wayne McAndrew	National Executive Committee
Lindsay Fraser	National Executive Committee
Tom Watson	National Executive Committee
Peter McClelland	National Executive Committee (Resigned 15 December 2011)
Michael Ravbar	National Vice President
Frank O'Grady	National Executive Committee
Bill Oliver	National Executive Committee
Ian Murray	National Executive Committee
Alex Millar	National Executive Committee

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Signed in accordance with a resolution of the Committee of Management.



Tony Maher – National President



Michael O'Connor – National Secretary

Dated: 28 June 2012

Sydney

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE
ABN 17 402 743 835**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 \$	2010 \$
Revenue	3	1,099,130	1,122,849
Affiliation and capitation fees	4	(339,982)	(322,525)
Meeting and conferences		(139,636)	(95,226)
Loss on disposal of assets		-	(4,315)
Depreciation and amortisation expenses	4	(2,468)	(7,337)
Employee benefits expense	4	(644,906)	(554,659)
Operating Expenditure		(123,853)	(288,402)
		<hr/>	<hr/>
Loss before income tax expense		(151,715)	(149,615)
Income tax expense	1(a)	<hr/> -	<hr/> -
Net loss attributable to members		(151,715)	(149,615)
Other comprehensive income		<hr/> -	<hr/> -
Total comprehensive income		<hr/> (151,715)	<hr/> (149,615)

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE
ABN 17 402 743 835**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	5	186,221	326,806
Trade and other receivables	6	156,340	71,967
Other current assets	7	4,295	18,522
TOTAL CURRENT ASSETS		<u>346,856</u>	<u>417,295</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	5,969	2,334
TOTAL NON-CURRENT ASSETS		<u>5,969</u>	<u>2,334</u>
TOTAL ASSETS		<u>352,825</u>	<u>419,629</u>
CURRENT LIABILITIES			
Trade and other payables	9	149,291	188,508
Provisions	10	148,423	24,946
TOTAL CURRENT LIABILITIES		<u>297,714</u>	<u>213,454</u>
NON-CURRENT LIABILITIES			
Provisions	10	651	-
TOTAL NON-CURRENT LIABILITIES		<u>651</u>	<u>-</u>
TOTAL LIABILITIES		<u>298,365</u>	<u>213,454</u>
NET ASSETS		<u>54,460</u>	<u>206,175</u>
EQUITY			
Retained profits		<u>54,460</u>	<u>206,175</u>
TOTAL EQUITY		<u>54,460</u>	<u>206,175</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE
ABN 17 402 743 835**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Retained Profits \$	Total \$
Balance at 1 January 2010	355,790	355,790
Loss attributable to members	<u>(149,615)</u>	<u>(149,615)</u>
Balance at 31 December 2010	<u>206,175</u>	<u>206,175</u>
Balance at 1 January 2011	206,175	206,175
Loss attributable to members	<u>(151,715)</u>	<u>(151,715)</u>
Balance at 31 December 2011	<u>54,460</u>	<u>54,460</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Membership contributions		1,091,361	858,195
Payments to suppliers and employees		(1,310,431)	(1,351,248)
Interest received		12,093	19,300
Grant and other income		72,495	262,838
Attendance Fees		-	39,925
		<u> </u>	<u> </u>
Net cash provided by (used in) operating activities	16b	<u>(134,482)</u>	<u>(170,990)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(6,103)	-
Proceeds on sale of fixed assets		-	18,182
		<u> </u>	<u> </u>
Net cash provided by (used in) investing activities		<u>(6,103)</u>	<u>18,182</u>
Net increase/(decrease) in cash held		(140,585)	(152,808)
Cash at beginning of year		<u>326,806</u>	<u>479,614</u>
Cash at end of year	16a	<u>186,221</u>	<u>326,806</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE
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**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY
CASH BASIS - FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 \$	2010 \$
Cash assets in respect of recovered money at beginning of year		-	-
Receipts			
Amounts recovered from employers in respect of wages etc		-	-
Interest received on recovered money		-	-
Total receipts		-	-
Payments			
Deductions of amounts due in respect of membership for:-			
- 12 months or less		-	-
- greater than 12 months		-	-
Deductions of donations or other contributions to accounts or funds of:-			
- the Union		-	-
- other entity		-	-
Deductions of fees or reimbursements of expenses		-	-
Payments to workers in respect of recovered money		-	-
Total payments		-	-
Cash assets in respect of recovered money at end of year		-	-

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE
ABN 17 402 743 835**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements include the financial statements and notes of the Construction Forestry Mining and Energy Union National Office.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Fair Work (Registered Organisations) Act 2009.

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 to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They 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. **Income Tax**
No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 50 -15 of the Income Tax Assessment Act 1997.

- 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.

Property, leasehold improvements and plant and equipment are measured on the cost basis.

The carrying amount of property, leasehold improvements and plant and equipment is reviewed annually by the committee of management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated on a reducing balance basis over the useful lives of the assets to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Assets	Depreciation Rate
Office Equipment	10% - 40%

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

c. Leases

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

d. Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and RDO which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

e. Financial Instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transaction 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 fair value, or amortised cost using the effective 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 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

e. Financial Instruments continued

Amortised cost is calculated as:

- i) the amount at which the financial asset or financial liability is measured at initial recognition
- ii) less principal repayments
- iii) 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
- iv) less any reduction for impairment

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

The entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where an entity 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 entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

e. Financial Instruments continued

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

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

iv) Available-for-sale financial assets

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

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be 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, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity 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 expire. The difference between the carrying value of the financial liability 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.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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ABN 17 402 743 835**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

f. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at call deposits with banks or financial institutions.

g. Revenue

Grant revenue is recognised on a proportional basis over the period that the grant relates to where the grant monies are controlled or conditions for recognition have been met. Where there are conditions attached to grant revenue received in advance relating to the use of those grants for specific purposes it is recognised in the statement of financial position as a liability until such conditions are met or services are provided.

Revenue from membership subscriptions is recognised on a cash 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).

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 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 Statement of Financial Position are shown inclusive of GST.

i. Comparative Figures

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

j. Impairment of Assets

At each reporting date, the entity reviews the carrying value of the tangible 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.

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities.

k. Critical Accounting Estimates and Judgements

The Committee of Management members evaluate estimates and judgements incorporated into the financial report 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 entity.

Key Estimates

The Committee of Management assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculation performed in assessing recoverable amounts incorporates a number of key estimates.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

k. Critical Accounting Estimates and Judgements continued

Key Judgments

No key judgments have been used in the preparation of this financial report.

l. New Accounting Standards for Application in Future Periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the entity has decided not to early adopt. A discussion of those future requirements and their impact on the entity is as follows:

AASB 9: Financial Instruments [December 2010] (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The entity has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The entity has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

I. New Accounting Standards for Application in Future Periods continued

AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

Since the entity is a not-for-profit private sector entity, the entity may qualify for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the entity may take advantage of Tier 2 reporting at a later date.

AASB 2010–6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard will affect certain disclosures only relating to financial instruments and is therefore not expected to significantly impact the entity.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

I. New Accounting Standards for Application in Future Periods continued

AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012). This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121 into AASB 112.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to significantly impact the entity.

AASB 1054: Australian Additional Disclosures and AASB 2011-1: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113] (applicable for annual reporting periods commencing on or after 1 July 2011).

AASB 1054 sets out the Australian-specific disclosures that are additional to IFRS disclosure requirements.

The disclosure requirements in AASB 1054 were previously located in other Australian Accounting Standards.

These Standards are not expected to significantly impact the entity.

AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The entity has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE
ABN 17 402 743 835**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

I. New Accounting Standards for Application in Future Periods continued

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the entity.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the entity.

AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the entity.

AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to entity items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the entity.

AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The entity does not have any defined benefit plans and so is not impacted by the amendment.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

I. New Accounting Standards for Application in Future Periods continued

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The entity does not have any defined benefit plans and so is not impacted by the amendment.

- (i) for an offer that may be withdrawn – when the employee accepts;
- (ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
- (iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

The entity has not yet been able to reasonably estimate the impact of these changes to AASB 119

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR FAIR WORK AUSTRALIA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of the Act which read as follows: -

1. A member of the entity, or Fair Work Australia, may apply to the entity for specified prescribed information in relation to the entity to be made available to the person making the application.
2. The application must be in writing and 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 entity.
3. An entity must comply with an application made under subsection (1).

	2011	2010
	\$	\$

NOTE 3: REVENUE

Sustenance fees:		
- CFMEU – Construction and General Division	620,620	552,420
- CFMEU – Forestry, Furnishing, Building Products and Manufacturing Division	154,700	135,675
- CFMEU – Mining and Energy Division	211,775	170,100
Interest received	12,093	19,300
Grant income	-	64,148
Donations received	-	100,000
Conference contributions	48,793	36,341
Attendance fees	-	39,925
Sundry income	2,895	4,940
Transfer of employee entitlements	48,254	-
	1,099,130	1,122,849

NOTE 4: LOSS FOR YEAR

Loss before income tax expense has been determined after:

EXPENSES

**Affiliation, capitation fees,
compulsory levies and commissions**

Affiliation fees:

- Australian Council of Trade Unions	334,382	316,925
- Australian Fair Trade and Investment Network	3,000	3,000
- Australian People for Health, Education and Development Abroad	2,600	2,600
	339,982	322,525

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011	2010
	\$	\$
NOTE 4: LOSS FOR YEAR continued		
Depreciation expense		
Office Equipment	2,468	7,337
Employee benefits expense		
Salaries and allowances		
- elected officials	186,966	226,693
- employees	219,346	256,764
Superannuation contributions		
- elected officials	27,315	36,865
- employees	27,870	6,922
Provision for annual leave		
- elected officials	24,246	(47,732)
- employees	7,230	(19,167)
Provision for long service leave		
- elected officials	38,198	(62,151)
- employees	(10,315)	(1,492)
Provision for RDO		
- employees	4,512	-
Provision for personal leave		
- elected officials	52,446	-
- employees	7,812	-
Termination payments		
- elected officials	-	113,073
- employees	35,283	-
Other		
- payroll tax	14,374	33,151
- employee overheads	1,954	-
- fringe benefit tax	1,875	5,179
- redundancy fund contributions	264	6,554
- workcover	5,530	-
	644,906	554,659
Included within Administration and General Expenses		
Remuneration of auditor		
- auditing of the financial statements	10,250	9,620
- accounting and taxation services	-	6,360

NOTE 5: CASH AND CASH EQUIVALENTS

Cash on hand	-	700
Cash at bank	186,221	326,106
	186,221	326,806

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE
ABN 17 402 743 835**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 \$	2010 \$
NOTE 6: TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	84,476	43,825
Other receivables	71,864	28,142
	156,340	71,967
Amounts included in the above are receivable from:		
CFMEU – Construction & General Division	-	15,457
CFMEU – Mining & Energy Division	-	12,259
CFMEU – Forestry, Furnishing, Building Products and Manufacturing Division	52,199	12,259
	52,199	39,975

(i) Provision for Impairment of Receivables

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items.

Movement in the provision for impairment of receivables is as follows:

	\$
Provision for impairment as at 31 December 2009	-
- Charge for the year	-
- Written off	-
Provision for impairment as at 31 December 2010	-
- Charge for the year	-
- Written off	-
Provision for impairment as at 31 December 2011	-

(ii) Credit Risk – Trade and Other Receivables

The entity does not have any material credit risk exposure to any single receivable or group of receivables.

The entity's trade and other receivables are within initial trade terms and are considered to be of high credit quality.

	Gross amount \$	Past due and impaired \$	Past due but not impaired (days overdue)			
			< 30 \$	31 - 60 \$	61-90 \$	>90 \$
2011						
Trade and other receivables	156,340	-	154,724	671	945	-
	156,340	-	154,724	671	945	-
2010						
Trade and other receivables	71,967	-	71,967	-	-	-
	71,967	-	71,967	-	-	-

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 \$	2010 \$
NOTE 7: OTHER CURRENT ASSETS		
Prepayments	<u>4,295</u>	<u>18,522</u>

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Office equipment at cost	20,909	14,806
Less: accumulated depreciation	<u>(14,940)</u>	<u>(12,472)</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>5,969</u>	<u>2,334</u>

a. Movements in carrying amounts

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

	Furniture and fixtures \$	Total \$
Balance at the beginning of year	2,334	2,334
Additions	6,103	6,103
Disposals	-	-
Depreciation expense	<u>(2,468)</u>	<u>(2,468)</u>
Carrying amount at the end of year	<u>5,969</u>	<u>5,969</u>

NOTE 9: TRADE AND OTHER PAYABLES

CURRENT

Trade creditors & accruals	99,291	188,508
Income in advance	<u>50,000</u>	<u>-</u>
	<u>149,291</u>	<u>188,508</u>

Amounts included in the above are payable to:

CFMEU – Construction & General Division	11,424	-
CFMEU – Forestry, Furnishing, Building Products and Manufacturing Division	<u>1,585</u>	<u>-</u>
	<u>13,009</u>	<u>-</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE
ABN 17 402 743 835**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 \$	2010 \$
NOTE 10: PROVISIONS		
CURRENT		
Employee entitlements:		
Provision for annual leave		
- elected officials	24,245	-
- employees	21,210	13,980
	45,455	13,980
 Provision for long service leave		
- elected officials	38,198	-
- employees	-	10,966
	38,198	10,966
 Provision for rostered days off		
- elected officials	-	-
- employees	4,512	-
	4,512	-
 Provision for personal leave		
- elected officials	52,446	-
- employees	7,812	-
	60,258	-
 Total current provisions	148,423	24,946
NON-CURRENT		
Employee entitlements:		
Provision for long service leave		
- elected officials	-	-
- employees	651	-
	651	-
 Total non-current provisions	651	-
 Total provisions	149,074	24,946
 Number of employees at year end	4	2

	Annual Leave \$	Long Service Leave \$	RDO \$	Personal Leave \$	Total \$
Balance at 31 December 2010	13,980	10,966	-	-	24,946
Additional provisions raised during the year	55,791	37,359	5,606	60,971	159,727
Amounts used	(24,316)	(9,476)	(1,094)	(713)	(35,599)
Balance at 31 December 2011	45,455	38,849	4,512	60,258	149,074

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 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.

NOTE 12: RELATED PARTY TRANSACTIONS

The names of committee of management of the entity who have held office during the financial year are:

Name of member	Position
Tony Maher	National President
Andrew Vickers	National Vice President
Michael O'Connor	National Secretary
Dave Noonan	National Assistant Secretary
Leo Skourdoumbis	National Vice President
Jane Calvert	National Executive Committee
Wayne McAndrew	National Executive Committee
Lindsay Fraser	National Executive Committee
Tom Watson	National Executive Committee
Peter McClelland	National Executive Committee (Resigned 15 December 2011)
Michael Ravbar	National Vice President
Frank O'Grady	National Executive Committee
Bill Oliver	National Executive Committee
Ian Murray	National Executive Committee
Alex Millar	National Executive Committee

	2011	2010
	\$	\$
a. Key Management Personnel		
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the association, directly or indirectly, including its committee members, is considered key management personnel.		
Key management personnel compensation		
- short-term benefits	186,966	226,693
- post-employment benefits	27,315	36,865
- termination payments	-	113,073
	214,281	376,631

b. Apart from the above, there were no other transactions between the officers of the entity other than those relating to their membership of the entity and reimbursement by the entity in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 13: SEGMENT REPORTING

The entity operates predominantly in one industry, being the Construction, Forestry, Mining and Energy sector. The business operates predominantly in one geographical area being Australia.

NOTE 14: ECONOMIC DEPENDENCE

The principle source of income for the entity is sustenance fees from its divisions. Accordingly, the National Office is economically dependant on the ability of the Divisions to continue to service the needs of its members on industrial and workplace matters.

NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE

There are no events subsequent to the reporting date of this report which will have a material effect on the financial report for the year ended 31 December 2011.

	2011	2010
	\$	\$

NOTE 16: CASH FLOW INFORMATION

a. Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash on hand	-	700
Cash at bank	186,221	326,106
	186,221	326,806

b. Reconciliation of Cash Flow from Operations with Net Loss attributable to members

Net loss	(151,715)	(149,615)
Non-cash flows in loss:		
Depreciation	2,468	7,337
Net loss on disposal of fixed assets	-	4,315
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(84,373)	(8,962)
(Increase)/decrease in other assets	14,227	18,080
Increase/(decrease) in trade and other payables	(39,217)	88,397
Increase/(decrease) in provisions	124,128	(130,542)
	(134,482)	(170,990)

c. The entity has no credit stand-by or financing facilities in place other than disclosed in the financial report.

d. There were no non-cash financing or investing activities during the period.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE
ABN 17 402 743 835**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 17: FINANCIAL RISK MANAGEMENT

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

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

	2011	2010
	\$	\$
Financial assets		
Cash and cash equivalents	186,221	326,806
Loans and receivables	156,340	71,967
Total financial assets	342,561	398,773
Financial liabilities		
Trade and other payables	149,291	188,508
Total financial liabilities	149,291	188,508

Financial Risk Management Policies

The committee of management overall risk management strategy seeks to assist the entity in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the committee of members on a regular basis. These include the credit risk policies and future cash flow requirements

The main purpose of non-derivative financial instruments is to raise finance for entity operations. The entity does not have any derivative instruments at 31 December 2011.

The committee of management, meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The committee of management's overall risk management strategy seeks to assist the entity in meeting its financial targets, while minimising potential adverse effects on financial performance

The finance committee operates under policies approved by the committee of management. Risk management policies are approved and reviewed by the management on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are credit risk, liquidity risk, and market risk.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the entity.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 17: FINANCIAL RISK MANAGEMENT continued

a. **Credit risk continued**

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the entity securing trade and other receivables.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 6.

The entity has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 6.

b. **Liquidity risk**

Liquidity risk arises from the possibility that the entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The entity manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

No financial assets have been pledged as security for any financial liability.

c. **Market risk**

(i) *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

(ii) *Price risk*

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

The entity is not exposed to securities price risk on available-for-sale investments.

The entity's investments are held in diversified management fund portfolios.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 17: FINANCIAL RISK MANAGEMENT continued

c. Market risk continued

Sensitivity analysis

The following table illustrates sensitivities to the entity's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reporting at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
Year ended 31 December 2011		
+/- 1% in interest rates basis points – cash and cash equivalents	<u>1,862</u>	<u>1,862</u>
Year ended 31 December 2010		
+/- 1% in interest rates basis points – cash and cash equivalents	<u>3,268</u>	<u>3,268</u>

NOTE 18: ENTITY DETAILS

The registered office and principal place of business is:

148-152 Miller Street
West Melbourne
Victoria 3003

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE
ABN 17 402 743 835**

COMMITTEE OF MANAGEMENT CERTIFICATE

On 28 June 2012 the Committee of Management of the Construction Forestry Mining and Energy Union National Office of Australia National Council ("Union/Reporting Unit") passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2011:

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

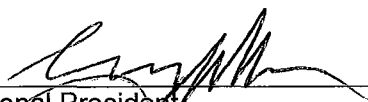
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of Fair Work Australia;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Act and the Regulations; and
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or Fair Work Australia duly made under section 272 of the Act has been furnished to the member or Fair Work Australia; and
 - (vi) there has been compliance with any order for inspection of financial reports made by the Fair Work Australia under section 273 of the Act.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
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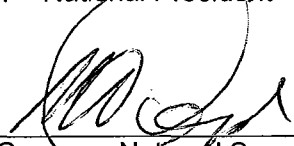
COMMITTEE OF MANAGEMENT CERTIFICATE
continued

- (f) in relation to recovery of wages activity:
- (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of Fair Work Australia; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the Act all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
 - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

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



Tony Maher – National President



Michael O'Connor – National Secretary

Dated: 28 June 2012

Sydney

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

Report on the financial report

We have audited the accompanying financial report of Construction Forestry Mining and Energy Union National Office, which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the committee of management's declaration of the entity during the financial year.

Committee of management's responsibility for the financial report

The entity's committee of management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1 the the committee of management also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

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

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

Independence

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

Auditor's opinion

In our opinion the financial report of the entity:

- (a) is in accordance with the provisions of the Fair Work (Registered Organisations) Act 2009, other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Act, including:
 - (i) presenting fairly the entity's financial position as at 31 December 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and International Financial Reporting Standards as disclosed in Note 1.
- (b) properly and fairly report all information in relation to recovery of wages activity required by the reporting guidelines of Fair Work Australia, including:
 - (i) any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
 - (ii) any donations or other contributions deducted from recovered money.

Other Matters

The financial report of Construction Forestry Mining and Energy Union National Office for the year ended 31 December 2010 was audited by another auditor who expressed an unmodified opinion on that financial report on 15 June 2011.

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

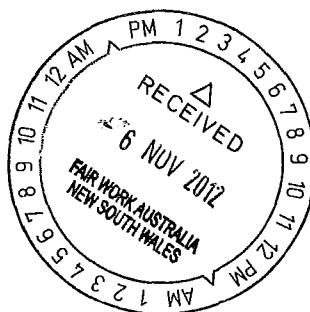
L.S. Wong

L.S. WONG
Partner,
Member of the Institute of Chartered Accountants in Australia and
holder of a current public practice certificate

Melbourne 30 June 2012

Thursday, 1 November 2012

Mr Stephen Kellett
Senior Adviser
Regulatory Compliance Branch
Fair Work Australia
Level 8
Terrace Tower
80 William Street
East Sydney NSW 2011



Construction
Forestry
Mining
Energy
Union

Dear Mr Kellett,

Re: Overdue Financial Report - Part 3, Chapter 8 Fair Work (Registered Organisations) Act 2009 (the RO Act) - Construction, Forestry, Mining and Energy Union - for year ending 31December 2011 (FR2011/2846)

I write in response to your letter dated 19 October regarding the above and in answer to your questions in that correspondence.

The union is a large organisation comprising three distinct divisions. Publication of the financial reports to the members of two of the three divisions of the CFMEU has occurred. The third division, through an administrative error, overlooked including the notification of the audited national office accounts in its newsletter at that time; this notification then fell to the follow-up newsletter. That date of publication is Friday 9 November, after which all members of the three divisions will have had notification via newsletter.

The accountant has taken appropriate steps with the external auditor to ensure the audits in future are completed by 31 March. This will ensure enough time to follow the appropriate procedures already in place within the union.

Faithfully,

A handwritten signature in black ink, appearing to read "M. O'Connor".

MICHAEL O'CONNOR
National Secretary
CFMEU



FAIR WORK
AUSTRALIA

12 October 2012

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

Dear Mr O'Connor

Re: Overdue Financial Report - Part 3, Chapter 8 Fair Work (Registered Organisations) Act 2009 (the RO Act) - Construction, Forestry, Mining and Energy Union - for year ending 31 December 2011 (FR2011/2846)

I am writing in relation to the above financial return which remains outstanding. I have received verbal advice from Mr Barry Disken, Financial Controller, that the accounts and statements have been prepared and audited but have not yet been fully provided to members in accordance with section 265 of the RO Act. It is my understanding that a delay has occurred in the publication of a Divisional notice drawing that Division's members' attention to the report on the organisation's website. I note, from the dates on the documents on the website, that the audit was completed in June 2012.

You will, of course, be aware of the importance of timely publication and lodgement of financial reports, which is why sections of the RO Act which prescribe time periods are civil penalty provisions pursuant to section 305 of the RO Act.

Therefore I seek your advice as to the following:

- (1) the circumstances why the organisation was not in a position to have lodged the report within the prescribed time, namely, by 15 July 2012;
- (2) the reason for the current delay in the publication of the relevant Divisional journal;
- (3) the date you anticipate being able to lodge the financial report;
- (4) whether the organisation has taken appropriate steps to ensure future reports will be able to be lodged within the prescribed time.

I look forward to your advice by no later than 26 October 2012. If you wish to discuss the matter before formally replying, please do not hesitate to contact me on (02) [REDACTED] [REDACTED].

Yours faithfully,

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /
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Prepare financial statements and Operating Report.
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(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /
(b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	

As soon as practicable after end of financial year

Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
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*Within a reasonable time of having received the GPFR
(NB: Auditor's report must be dated on or after date of Committee of Management Statement)*

Provide full report free of charge to members – s265 The full report includes: <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /
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*(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,
or
(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.*

Present full report to:	
(a) General Meeting of Members - s266 (1),(2); OR	/ /
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /

Within 6 months of end of financial year

Within 6 months of end of financial year

Lodge full report with Fair Work Australia, together with the #Designated Officer's certificate++ – s268	/ /
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Within 14 days of meeting

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

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

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



FAIR WORK
AUSTRALIA

13 January 2012

Mr Michael O'Connor
National Secretary,
CFMEU
148-152 Miller Street
WEST MELBOURNE VIC 3003

Dear Mr O'Connor,

Re: Lodgement of Financial Statements and Accounts – Construction, Forestry, Mining and Energy Union – for year ending 31 December 2011 (FR2011/2846)

The financial year of the National Office of the Construction, Forestry, Mining and Energy Union ended on 31 December 2011. This is a courtesy letter for your file to remind you of the obligation to lodge audited financial accounts and statements with Fair Work Australia within the prescribed time frame, that is, by 14 July 2012, unless a 1 month extension is applied for and granted.

The documents you must lodge include:

(i) A *general purpose financial report*; (ii) A *Committee of Management statement* (iii) An *operating report*; (iv) An *auditor's report*; and (v) A *certificate* in accordance with section 268.

I draw your particular attention to

(a) s237 which requires you to prepare and lodge *a separate statement* providing the prescribed particulars of any loan, grant or donation made during the year which exceeds \$1,000;

(b) s265(5) which requires you to publish or otherwise *provide the members with completed/signed copies* of the audited accounts, report and statements before final presentation and lodgment; and

(c) s266 which requires you to *present the completed documents to a second meeting*.

Relevant references may be found at

<http://www.fwa.gov.au/index.cfm?pagename=regorgsfrguidelines> and
<http://www.fwa.gov.au/index.cfm?pagename=legislationfwroact>.

Yours sincerely,

Stephen Kellett

Organisations, Research and Advice Branch