



FAIR WORK
AUSTRALIA

13 October 2010

Mr Dean Hall
Secretary, Australian Capital Territory Divisional Branch
Construction, Forestry, Mining and Energy Union
PO Box 498
DICKSON ACT 2602



Dear Mr Hall

Lodgment of Financial Accounts and Statements – Construction, Forestry, Mining and Energy Union, Construction and General Division, Australian Capital Territory Divisional Branch – for year ending 31 December 2009 (FR2009/10243)

Thank you for lodging the above financial statements and accounts which were received by Fair Work Australia on 23 August 2010. I also acknowledge receipt of the amended Secretary's Certificate on 13 October 2010.

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

Yours sincerely,

Stephen Kellett

Organisations and Research

KELLETT, Stephen

From: Shayne Hall [shall@act.cfmeu.asn.au]
Sent: Wednesday, 13 October 2010 10:26 AM
To: KELLETT, Stephen
Subject: Updated Page
Attachments: SKMBT_C45110101309190.pdf

Hi Stephen,

Please find attached the updated Certificate of Secretary as discussed.

Kind regards
Shayne

Shayne Hall
Industrial Officer
CFMEU - ACT Branch
Ph: 02 6267 1599 / 0410 627 516

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND
GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**


CERTIFICATE OF SECRETARY

S268 of Fair Work (Registered Organisations) Act 2009

I, Dean Hall being the Branch Secretary of the Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch certify:

- that the documents lodged herewith are copies of the full report referred to in S268 of Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members on 27/07/2010; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 23 September 2010, in accordance with section 266 of Fair Work (Registered Organisations) Act 2009.

Dated at Canberra, ACT this 23rd day of September 2010.



Dean Hall
Branch Secretary
CFMEU
Construction and General Division
ACT Branch

KELLETT, Stephen

Subject: FW: certification under s268 Fair Work (Registered Organisations) Act 2009

From: KELLETT, Stephen

Sent: Tuesday, 7 September 2010 9:27 AM

To: 'Shayne Hall'

Subject: RE: certification under s268 Fair Work (Registered Organisations) Act 2009

Dear Shayne,

Thank you for clarifying the events. Under the circumstances, given that the documents will be eventually posted to FWA's organisations website for the public record, it would be appropriate to lodge an amended Secretary's Certificate after the presentation on the 28th. The Certificate can then correctly certify presentation in accordance with s266 on 28/9/10 in place of the incorrect reference to 30/3/10.

I will file the documents upon receipt of the amended redated Secretary's Certificate.

Thank you for assisting in this.

Yours sincerely

Stephen Kellett
Fair Work Australia
80 William Street
EAST SYDNEY NSW 2011
Ph: 042 462 979
Email: stephen.kellett@fwa.gov.au

www.fwa.gov.au

KELLETT, Stephen

Subject: FW: certification under s268 Fair Work (Registered Organisations) Act 2009

From: Shayne Hall [mailto:shall@act.cfmeu.asn.au]

Sent: Monday, 6 September 2010 5:05 PM

To: KELLETT, Stephen

Cc: Susan Benton; Jason O'Mara; Dean Hall

Subject: RE: certification under s268 Fair Work (Registered Organisations) Act 2009

Dear Stephen,

A draft copy of the audit report was presented to the Committee of Management on 27/7/10, which subsequently became the final audit report. I would ignore reference to the 30/3/10 meeting.

We would like to give an undertaking that at the next Committee of Management meeting on 28 September 2010 the final audited report will be presented to members. We have already placed this on the agenda for the meeting.

Do you require any further paperwork? Such as a letter confirming that the final audited report was presented to the Committee of Management on 28/9/10?

Kind regards

Shayne Hall

Industrial Officer

CFMEU - ACT Branch

Ph: 02 6267 1599 / 0410 627 516

KELLETT, Stephen

From: KELLETT, Stephen
Sent: Monday, 6 September 2010 3:31 PM
To: 'shall@act.cfmeu.asn.au'
Subject: certification under s268 Fair Work (Registered Organisations) Act 2009

Dear Shayne,

The Act requires financial reports to be provided to members (see s265(5)) as well as be presented to a meeting (see s266) . It then requires the Secretary to certify that the documents being lodged are copies of the report provided and presented. (see s268)

The meeting envisaged by s266 is understood to be a meeting after the date of the auditor's signed report (since the members have an interest to see that the financial affairs have been audited).

There is a slight confusion arising from the Secretary's Certificate signed by Dean Hall on 27/7/10. This is because it certifies that the report was provided to members on 27/7/10 – which happens to be the date documents like the Committee of Management Statement and Operating Report were signed – and that the report was presented on 30/3/10. Both dates are earlier than the date the Auditor signed the Audit report, on 12/8/10.

I am not sure what the meeting of 30/3/10 dealt with. But if the audit was only completed and signed by the Auditor on 12/8/10, then it is only then or afterwards that members should have been provided with a copy of the report (i.e. audited version) and presentation to a meeting could take place.

So, the dates on the face of the documents suggest that on 27/7/10 the members may not have been provided with the auditor's report.

Are you able to advise me whether, subsequent to the completion of the auditor's report after 12/8/10, presentation took place at a second meeting? If so, can you advise the date of that meeting?

Can you also advise whether the copy of the report provided to the members on 27/7/10 included a copy of the Auditor's report (if already completed, even if unsigned)?

If this is the case, perhaps the Branch could lodge an amended Secretary's certificate.

If however, there has been no formal presentation of the signed audited financial report at any time after 12/8/10, is the Branch able to confirm its undertaking to do so as a matter at its earliest opportunity?

The sequence contemplated by the Act is designed to ensure members have access to the audited accounts and statements, not draft versions, in a timely fashion and have no grounds for complaining they do not have an opportunity to bring matters of concern to their management, in the interests of accountability.

I appreciate your advice on these events. Please don't hesitate to contact me on 0429 462 979 if you need to discuss any aspect before providing your advice.

Yours sincerely

Stephen Kellett
Fair Work Australia
80 William Street
EAST SYDNEY NSW 2011
Email: stephen.kellett@fwa.gov.au

10 August 2010

Mr Dean Hall
Secretary, Australian Capital Territory Divisional Branch
CFMEU
PO Box 498
DICKSON ACT 2602



Dear Mr Hall

Re: Lodgement of Financial Statements and Accounts – Australian Capital Territory Divisional Branch – for year ending 31 December 2009 (FR2009/10243)

The financial return for the year ending 31 December 2009 remains outstanding according to our records and is now overdue.

I am writing therefore to remind you to lodge the above as soon as possible. If there have been circumstances causing the 2009 return not to be ready to be lodged, I respectfully request your advice as to the reasons and when you anticipate being able to lodge it.

Yours sincerely,



Stephen Kellett
Statutory Services Branch





To David Vale



Enclosed is a copy of our financials for 2009

Kind Regards

Susan Benton



ACT Branch

3 Rosevear Place, Dickson ACT 2602 | PO Box 498, Dickson ACT 2602

Phone: (02) 6267 1599 | Fax: (02) 6249 1247

Email: enquiries@act.cfmeu.asn.au | Web: www.cfmeu.asn.au

ABN: 380 491 095 201 73



**CONSTRUCTION FORESTRY MINING AND ENERGY
UNION CONSTRUCTION AND GENERAL DIVISION –
ACT BRANCH**

ABN 38 491 952 173

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2009

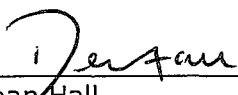
CERTIFICATE OF SECRETARY

S268 of Fair Work (Registered Organisations) Act 2009

I, Dean Hall being the Branch Secretary of the Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch certify:

- that the documents lodged herewith are copies of the full report referred to in S268 of Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members on 27/07/ 2010; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 30 March 2010, in accordance with section 266 of Fair Work (Registered Organisations) Act 2009.

Dated at Canberra, ACT this 27th day of July 2010.



Dean Hall
Branch Secretary
CFMEU
Construction and General Division
ACT Branch

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND
GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

OPERATING REPORT

Principal Activities

CFMEU, Construction & General Division – ACT Branch ("reporting unit") is committed to advancing the wages, conditions, and wellbeing of its membership.

The reporting unit's principal activities during the year were:

- Representation of members on the job.
- Union-negotiated collective agreements.
- Assisting members with legal representation.
- Facilitating access to training courses.
- Informing members through the regular newsletter.
- Sale of products to union members.
- Investment of union funds.

The operating profit of the reporting unit for the year ended 31 December 2009 is \$27,578 (2008: Loss \$45,413).

Significant changes

There were no significant changes in the nature of the reporting unit's activities during the year.

Members rights to resign

Members may resign from the Union in accordance with Section 174 of the Fair Work Act, which reads as follows:

- 1) A member of the Union may resign from membership by written notice addressed and delivered to the Secretary of the Branch of which he is a member.
- 2) 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 notice is received by the Union; or
 - 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; Which ever is later; or
 - b) In any other case:
 - i) At the end of two (2) weeks after the notice is received by the Union; or
 - ii) On the day specified in the notice;Whichever is later.
- 3) Any dues payable but not paid by a former member of the Union, in relation to a period before the member's resignation from the Union took effect, may be sued for and recovered in the name of the Union in a court of competent jurisdiction, as a debt due to the Union.
- 4) A notice delivered to the person mentioned in subsection (1) shall be taken to have been received by the Union when it was delivered.
- 5) A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with subsection (1).

A resignation from membership of the Union is valid even if it is not affected in accordance with the rule if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND
GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

Officers as Trustees

No officer of the reporting unit is a trustee.

Prescribed Information

- (a) the number of persons that were, at 31st December 2009, recorded in the register of members for section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the reporting unit under section 244 of the Fair Work (Registered Organisations) Act 2009 was 2,582;
- (b) the number of persons who were, at 31st December 2009, employees of the reporting unit, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis was 8 employees;

OPERATING REPORT

Prescribed Information (continued)

- (c) the name of each person who has been a member of the committee of management of the reporting unit at any time during the year ended 31st December 2009, and the period for which he or she held such a position is:

Name

Period

Sarah Schoonwater	Full year
Dean Hall	Full year
Rod Driver	Full year
Max Harmer	Full year
Jason O'Mara	Full year
Mark Dymock	Full year
Jack Broaderick	Full year
Eddy Hewitt	Full year
Leon Arnold	Full year
Justin Box	Full year
Des Marland	Full year
Halafihi Kivalu	Full year
Jason Jennings	Full year
Trevor Scott	Full year
Nikola Vukelic	Full year


**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND
GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

Other Information

There is no other information that the reporting unit considers is relevant.

For and on behalf of the Committee of Management:

Dated at Canberra, ACT this 27th day of July 2010.



Dean Hall



Jason O'Mara

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND
GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND
GENERAL DIVISION – ACT BRANCH**

ACCOUNTING OFFICER'S CERTIFICATE

I, Dean Hall, being the officer responsible for keeping the accounting records of the Construction Forestry Mining and Energy Union – Construction and General Division – ACT Branch, hereby certify that as at 31st December 2009 the number of members of the Branch was 2,582 and that in relation to the 2009 financial year, in my opinion;

- (a) the accounts annexed hereto show a true and fair view of the financial affairs of the Branch as at the end of the financial year;
- (b) a record has been kept of all monies paid by, or collected from, members of the Branch, and all monies so paid or collected have been credited to the bank account to which these monies are to be credited in accordance with the rules of the Branch;
- (c) before any expenditure was incurred by the Branch, approval for the incurring of the expenditure was obtained in accordance with the rules of the Branch;
- (d) as to funds of the Branch raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of such funds other than for the purposes for which the fund was created;
- (e) all loans or other financial benefits granted to persons holding office in the Branch were authorised in accordance with the rules of the Branch; and
- (f) the register of members of the Branch was maintained in accordance with the Act.

Dated at Canberra, ACT this 27th day of July 2010.



Dean Hall

RSM Bird Cameron

Level 1, 103-105 Northbourne Avenue Canberra ACT 2601

GPO Box 200 Canberra ACT 2601

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www.rsmi.com.au

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH

We have audited the accompanying financial report of Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch, which comprises the statement of financial position as at 31 December 2009, 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 significant accounting policies, other explanatory notes and the Committee of Management Statement.

Committee's Responsibility for the Financial Report

The Committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fairwork (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

The financial report has been prepared for distribution to members for the purpose of fulfilling the Committee's financial reporting requirements under the Fairwork (Registered Organisations) Act 2009. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

RSM Bird Cameron

Chartered Accountants

Independence

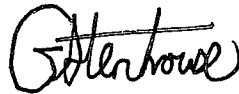
In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion the general purpose financial report of Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch presents fairly, in all material respects, the financial position of Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch as at 31 December 2009 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), and the requirements imposed by the Fairwork (Registered Organisations) Act 2009.

RSM BIRD CAMERON

Chartered Accountants



GED STENHOUSE

Director

Canberra, Australian Capital Territory

Dated: 12 August 2010

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND
GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

COMMITTEE OF MANAGEMENT STATEMENT


On the 30 March 2010 the Committee of Management of the Construction Forestry Mining and Energy Union, Construction and General Division – ACT Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2009:

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

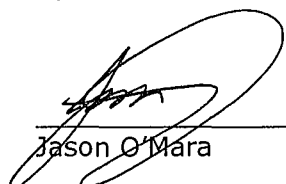
- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with the reporting guidelines of the Industrial registrar for the purposes of section 270 of the Fair Work (Registered Organisations) Act 2009;
- c) the financial statements and notes give a true and fair view of the income and expenses, balance sheet, changes in equity 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 when they become due and payable;
- e) during the 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 the 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 the branch concerned;
 - iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009;
 - iv) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or Registrar; and
 - v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.
- f) no recovery of wages activities undertaken by the reporting unit resulted in any revenues or receipts paid or payable to the reporting unit. All recovered wages were paid directly to reporting unit members by relevant employers.

For Committee of Management:

Dated at Canberra this 27th day of July 2010



Dean Hall



Jason O'Mara

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND
GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 \$	2008 \$
Revenue from ordinary activities	2	793,753	1,550,127
Depreciation and amortisation expense	3	(1,847)	(4,866)
Employee benefits expense	3	(1,012,754)	(1,076,657)
Administrative expense		(817,230)	(640,632)
Profit from Sale of Investments		787,074	-
Investment income from associates		278,582	126,615
Net profit / (loss) from ordinary activities attributable to members of the Union		<u>27,578</u>	<u>(45,413)</u>
Other comprehensive income		-	-
Total comprehensive income/(loss) attributable to members of the Union		<u>27,578</u>	<u>(45,413)</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND
GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009**

	Note	2009 \$	2008 Restated	As at 1 Jan 2008 Restated \$
CURRENT ASSETS				
Cash and cash equivalents	5	1,028,335	776,593	411,909
Trade and other receivables	6	118,442	128,641	486,722
Others		11,094	-	-
TOTAL CURRENT ASSETS		<u>1,157,871</u>	<u>905,234</u>	<u>898,631</u>
NON-CURRENT ASSETS				
Investments in associates using equity method	7	305,083	2,744,405	2,617,788
Financial Assets	9	1,375	-	-
Trade and other receivables	6	1,282,404	-	-
Property, plant and equipment	10	1,204	3,050	7,916
TOTAL NON-CURRENT ASSETS		<u>1,590,066</u>	<u>2,747,455</u>	<u>2,625,704</u>
TOTAL ASSETS		<u>2,747,937</u>	<u>3,652,689</u>	<u>3,524,335</u>
CURRENT LIABILITIES				
Trade and other payables	11	354,406	1,258,025	237,364
Provisions	12	56,150	69,387	41,615
Others		-	23,119	35,713
TOTAL CURRENT LIABILITIES		<u>410,556</u>	<u>1,350,531</u>	<u>314,692</u>
NON-CURRENT LIABILITIES				
Provisions	12	10,718	3,073	-
TOTAL NON-CURRENT LIABILITIES		<u>10,718</u>	<u>3,073</u>	<u>-</u>
TOTAL LIABILITIES		<u>421,274</u>	<u>1,353,604</u>	<u>314,692</u>
NET ASSETS		<u>2,326,663</u>	<u>2,299,085</u>	<u>3,209,643</u>
EQUITY				
Retained profits		<u>2,326,663</u>	<u>2,299,085</u>	<u>3,209,643</u>
TOTAL EQUITY		<u>2,326,663</u>	<u>2,299,085</u>	<u>3,209,643</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND
GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2009**

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2008	3,209,643	3,209,643
Adjustment for correction of error	<u>(865,145)</u>	<u>(865,145)</u>
Restated total equity at the beginning of the financial period	<u>2,344,498</u>	<u>2,344,498</u>
Profit/(Loss) attributable to the entity	<u>(45,413)</u>	<u>(45,413)</u>
Balance at 31 December 2008	<u>2,299,085</u>	<u>2,299,085</u>
Profit attributable to the entity	<u>27,578</u>	<u>38,204</u>
Balance at 31 December 2009	<u>2,326,663</u>	<u>2,337,289</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND
GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009	2008
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from members' subscriptions		488,246	488,030
Cash Receipts from Customers		92,777	-
Cash payments to suppliers and employees		(1,840,507)	(1,553,133)
GST refunded from the ATO		-	14,014
Interest received		6,153	12,260
Donations received		130,000	976,714
Payment of affiliation fees, capitation fees and dispute levies		(66,504)	(53,427)
Other Revenue		<u>186,717</u>	<u>-</u>
Net cash (used in) operating activities	13	<u>(1,003,118)</u>	<u>(115,542)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payments to related company		(21,817)	-
Loans repaid from related parties		<u>1,276,677</u>	<u>480,226</u>
Net cash provided by investing activities		<u>1,254,860</u>	<u>480,226</u>
Net increase in cash held		251,742	364,684
Cash at beginning of the financial year		<u>776,593</u>	<u>411,909</u>
Cash at the end of the financial year	5	<u><u>1,028,335</u></u>	<u><u>776,593</u></u>

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

The financial report covers the Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch (the Union) as an individual entity. The Union is an unincorporated entity.

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

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a) Income Tax

The Union is exempt from income tax under the provisions of Section 50-5 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 and impairment losses.

Property

Leasehold buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

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 2009**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Property, Plant and Equipment (cont'd)

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

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increase of the same asset are charged against fair value reserves directly in equity, all other decrease are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over their useful economic lives commencing from the time the asset is held ready for use.

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

<i>Class of asset</i>	<i>Depreciation rate</i>
Office Equipment	50-66%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Gain and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Leases

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

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

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for 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.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

d) Financial Instruments

Recognition

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

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated hedges. Realised and unrealised gains or losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

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

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Impairment of Assets

At each reporting date, 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 income statement.

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

f) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the Union's share of post acquisition reserves of its associates.

Associated entities are those that the Committee of Management have determined that the Union has significant influence, but not controlling interest, by means of the level of equity held and the relationship to the Union and the Committee of Management members.

g) Employee Benefits

Provision is made for the Union'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 entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount, plus any 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.

h) Provisions

Provisions are recognised when the Union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

i) 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.

j) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to members and customers.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Revenue (continued)

Revenue from the rendering of a service is recognised upon the delivery of the service to the members and customers.

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

k) 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.

l) Comparative figures

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

m) Critical accounting estimates and judgements

The Committee 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 Union.

Key estimates – Impairment

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

n) Prior period error – Loan to Canberra Tradesmen’s Union Club

Account Name	Reported as at 31 December 2008	Restated as at 31 December 2008	Effect of Restatement
STATEMENT OF COMPREHENSIVE INCOME			
<u>Income</u>			
Donations received	976,714	332,323	(644,391)
<u>Expenses</u>			
Salaries and wages – employees	661,983	698,704	(36,721)
Administrative expenses	640,632	824,665	(184,033)
Effect on Profit	(325,901)	(1,191,046)	(865,145)
STATEMENT OF FINANCIAL POSITION			
<u>Liabilities</u>			
Trade creditors	142,277	137,771	(4,506)
Loans to related parties	-	869,651	869,651
Effect on Net Assets	(142,277)	(1,007,422)	(865,145)

The prior period error was a result of transactions that were omitted from the Loan from Canberra Tradesmen’s Union Club at 31 December 2008. The financial statements have been restated to show the correct balances at 31 December 2008. The effect of the restatement on the statement of comprehensive income is an increase to the loss reported by \$865,145.

Reported loss: \$45,413
Restated loss: \$910,558

The effect of the restatement on the statement of financial position is a decrease to the net assets of CFMEU by \$865,145.

The financial report was authorised for issue on 30 March 2010.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008
	\$	\$
NOTE 2 – REVENUE		
Operating revenue:		
Membership subscriptions	488,246	422,749
Donations received	130,000	976,714
Sitting fees	31,449	42,808
Counselling Income	40,909	-
Advertising Income	21,900	-
Sundry income	75,097	95,596
	<u>787,601</u>	<u>1,537,867</u>
Other income:		
Interest	6,152	12,260
	<u>6,152</u>	<u>12,260</u>
Total Revenue	<u>793,753</u>	<u>1,550,127</u>

NOTE 3 - PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

(a) Expenses

Depreciation of property, plant and equipment	<u>1,847</u>	<u>4,866</u>
Employee Benefits		
- salaries and wages - office holders	280,265	244,338
- salaries and wages - employees	631,258	661,983
- employee entitlements – annual leave	7,041	16,156
- employee entitlements – long service leave	(5,104)	30,844
- employee entitlements – rostered days off	7,310	31,453
- superannuation	91,984	91,883
	<u>1,012,754</u>	<u>1,076,657</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

2009 **2008**
\$ **\$**

NOTE 3 - PROFIT FROM ORDINARY ACTIVITIES (continued)

(b) Significant Revenue and Expenses

The following significant revenue and expense items are relevant in explaining the financial performance:

Donations paid or payable	16,397	20,490
Printing & Stationery	97,953	40,700
Membership fees	14,084	15,948
Capitation fees	55,703	41,390
CSI - OH&S services	51,098	43,182
Travelling expenses	81,929	53,623
Leasing – Motor Vehicles	81,696	81,910
Redundancy	-	31,540

NOTE 4 – REMUNERATION OF AUDITOR

Total amounts received and receivable by the auditors of the Union for:

Audit of the Union's financial report	17,000	19,000
Other services	-	6,240
	<u>17,000</u>	<u>25,240</u>

NOTE 5 – CASH AND CASH EQUIVALENTS

	2009	2008	As at 1
		Restated	January
			2008
	\$	\$	Restated
Cash on hand	1,300	1,300	2,400
Cash at bank	1,027,035	775,293	409,509
	<u>1,028,335</u>	<u>776,593</u>	<u>411,909</u>

The effective interest rate on cash at bank was 0.6% (2008: 2.7%)

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 Balance Sheet as follows:

Cash assets and cash equivalents	<u>1,028,335</u>	<u>776,593</u>
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008 Restated	As at 1 January 2008 Restated
	\$	\$	
NOTE 6 – TRADE AND OTHER RECEIVABLES			
CURRENT			
Accounts receivable	118,050	128,641	6,496
Loans to related parties	392	-	480,226
	<u>118,442</u>	<u>128,641</u>	<u>486,722</u>
NON CURRENT			
Loans to related parties	1,282,404	-	-
	<u>1,282,404</u>	<u>-</u>	<u>-</u>

NOTE 7 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Raymel Holdings Pty Limited (Note 8)	-	2,131,299	1,994,568
Melphomene Pty Limited (Note 8)	305,083	312,591	275,951
Wilpeema Pty Limited (Note 8)	-	300,515	347,269
	<u>305,083</u>	<u>2,744,405</u>	<u>2,617,788</u>

NOTE 8 – ASSOCIATED COMPANIES

Associate: Raymel Holdings Pty Limited
Principal Activity: Property
Ownership interest : 50%
Balance date: 31 December 2009

**(a) Movements During the Year in
Equity Accounted Investment in
Associated Company**

Balance at the beginning of the financial year:	2,131,299	1,994,568	985,359
Value of investment brought forward	-	-	-
Disposal of investment in Raymel	(2,412,765)	-	-
Share of associated entities profit	281,466	136,731	1,009,209
Contributions to property trust	-	-	-
Drawings from property trust	-	-	-
Balance at the end of the financial year	<u>-</u>	<u>2,131,299</u>	<u>1,994,568</u>

During the course of the financial year the 50% ownership interest in Raymel Holdings Pty Ltd was disposed of. A loan of \$1,277,265 remains (refer to Note 6).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008 Restated	As at 1 January 2008 Restated
	\$	\$	

NOTE 8 – ASSOCIATED COMPANIES (continued)

**(b) Equity Accounted Associate Profits
are Broken Down as follows:**

Share of associate's profit from ordinary activities before income tax expense	281,466	136,731	1,009,209
Share of associate's income tax expense	-	-	-
Share of associate's profit from ordinary activities after income tax	<u>281,466</u>	<u>136,731</u>	<u>1,009,209</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

2009	2008 Restated	As at 1 January 2008 Restated
\$	\$	

NOTE 8 – ASSOCIATED COMPANIES (continued)

Associate: Melphomene Pty Limited
Principal Activity: Property (Cypress Court)
Ownership interest : 10%
Balance date: 31 December 2009

**(a) Movements During the Year in Equity
Accounted Investment in Associated
Company**

Balance at the beginning of the financial year:	312,591	275,951	21,490
Value of investment brought forward	-	-	-
Loss on disposal of Cypress Court property	(25,621)	-	-
Share of associated entities profit/ (loss)	18,113	36,640	254,461
Contributions to property trust	-	-	-
Drawings from property trust	-	-	-
Balance at the end of the financial year	<u>305,083</u>	<u>312,591</u>	<u>275,951</u>

The Union has significant influence over the trustee company due to common directorship of the Union and the trustee company.

**(b) Equity Accounted Associate Profits
are Broken Down as follows:**

Share of associate's profit from ordinary activities before income tax expense	18,113	36,640	254,461
Share of associate's loss from sale of Cypress Court property	<u>(25,621)</u>	-	-
Share of associate's income tax expense	-	-	-
Share of associate's profit from ordinary activities after income tax	<u>(7,508)</u>	<u>36,640</u>	<u>254,461</u>

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	2009	2008 Restated	As at 1 January 2008 Restated
	\$	\$	
NOTE 8 – ASSOCIATED COMPANIES (continued)			
(c) Summarised Presentation of Aggregate Assets, Liabilities and Performance of Associate			
Current Assets	4,311,144	45,347	134,008
Non-current Assets	931,857	5,281,836	5,396,628
Total Assets	<u>5,243,001</u>	<u>5,327,183</u>	<u>5,530,636</u>
Current Liabilities	(1,779)	16,800	5,757
Non-current Liabilities	2,427,374	2,492,977	2,707,473
Total Liabilities	<u>2,425,595</u>	<u>2,509,777</u>	<u>2,713,230</u>
Net Assets	<u>2,817,406</u>	<u>2,817,406</u>	<u>2,817,406</u>
Profit/(Loss) after income tax of associates	<u>(75,082)</u>	<u>366,398</u>	<u>2,544,610</u>

Associate: Wilpeema Pty Limited
Principal Activity: Property (Marcus Clark)
Ownership interest : 10%
Balance date: 31 December 2009

**(a) Movements During the Year in Equity
Accounted Investment in Associated
Company**

Balance at the beginning of the financial year:	300,515	347,269	340,967
Value of investment brought forward	-	-	-
Disposal of investments	(305,140)	-	-
Share of associated entities (loss)/profit	4,625	(46,754)	6,302
Contributions to property trust	-	-	-
Drawings from property trust	-	-	-
Balance at the end of the financial year	<u>-</u>	<u>300,515</u>	<u>347,269</u>

During the course of the financial year the 10% ownership interest in Wilpeema Pty Ltd was disposed of. A loan of \$5,140 remains (refer to Note 6).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

2009	2008 Restated	As at 1 January 2008 Restated
\$	\$	

NOTE 8 – ASSOCIATED COMPANIES (continued)

**(b) Equity Accounted Associate Profits are
Broken Down as follows:**

Share of associate's profit from ordinary activities before income tax expense	4,625	(46,754)	6,302
Share of associate's income tax expense		-	-
Share of associate's (loss)/profit from ordinary activities after income tax	<u>4,625</u>	<u>(46,754)</u>	<u>6,302</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

2009	2008 Restated	As at 1 January 2008 Restated
\$	\$	

NOTE 9 – FINANCIAL ASSETS

Shares in listed corporations - available for sale	1,375	-	-
	<u>1,375</u>	<u>-</u>	<u>-</u>

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

Office Equipment - at cost	11,182	11,182	11,182
Less accumulated depreciation	(9,978)	(8,132)	(3,266)
	<u>1,204</u>	<u>3,050</u>	<u>7,916</u>
Total Property, Plant and Equipment	<u>1,204</u>	<u>3,050</u>	<u>7,916</u>

Movements in carrying amounts

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

	Office Equipment	Total \$
Balance at the beginning of the period	3,050	7,916
Additions		-
Disposals		-
Depreciation expense	(1,846)	(4,866)
Depreciation write-back on disposal		-
	<u>1,204</u>	<u>3,050</u>
Carrying amount at the end of the period	<u>1,204</u>	<u>3,050</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

2009	2008 Restated	As at 1 January 2008 Restated
\$	\$	

NOTE 11 – TRADE AND OTHER PAYABLES

CURRENT

Trade creditors	55,992	137,771	1,798
Accrued expenses	59,270	28,430	48,517
Loans to related parties	-	869,651	-
Employee benefits	239,144	222,173	187,049
	<u>354,406</u>	<u>1,258,025</u>	<u>237,364</u>

NOTE 12 - PROVISIONS

	Employee Entitlements \$	Total \$
Opening balance at 1 January 2009	72,460	72,460
Net provision movement during year	<u>(5,592)</u>	<u>(5,592)</u>
Balance at 31 December 2009	<u>66,868</u>	<u>66,868</u>
	2009	2008 \$
Current	56,150	69,387
Non-Current	<u>10,718</u>	<u>3,073</u>
	<u>66,868</u>	<u>72,460</u>

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to 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 upon historical data. The recognition criteria for employee benefits has been included in Note 1.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009 \$	2008 \$
NOTE 13 - CASH FLOW INFORMATION		
(a) Reconciliation of Cash Flows from Operations with Profit from Ordinary Activities		
Surplus / (Deficit) from ordinary activities	27,578	(45,413)
Non-cash flows in profit from ordinary activities:		
Depreciation and amortisation	1,846	4,865
Shares brought to account	(1,333)	-
Profit on Sale of Investments	(787,074)	-
Profit from investments in associates	(278,582)	(126,617)
Expenses paid from CTUC	72,085	-
Dividends received (DRP)	(42)	-
Changes in operating assets and liabilities:		
(Increase)/Decrease in receivables	10,591	(126,273)
(Increase)/Decrease in other assets	(11,094)	-
Increase/(Decrease) in payables	(48,957)	124,492
Increase/(Decrease) in employee provisions	11,380	65,968
(Decrease)/increase in other liabilities	484	(12,564)
Cash flows from operations	<u>(1,003,118)</u>	<u>(115,542)</u>

(b) Non-cash Financing and Investing Activities

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

(c) Credit Stand by Arrangement and Loan Facilities

The Union has no credit stand-by or financing facilities in place.

NOTE 14 – EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events after the balance sheet date.

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2009 **2008**
\$ **\$**

NOTE 15 – RELATED PARTY TRANSACTIONS

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

(a) Sitting fees for Office Holders

ACT Building and Construction Industry Training	2,288	960
ACT Construction Industry Long Service Leave Board	11,526	16,848
ACIRT	17,635	25,000
	<hr/>	<hr/>
	31,449	42,808

(b) Sponsorship of Agreement between Canberra Raiders and CFMEU – ACT Branch

The Canberra Tradesman's Union's Club has entered into a sponsorship agreement to provide funds to the Canberra Raiders on behalf of CFMEU ACT Branch. The total amount of this arrangement is \$990,000 and covers the period November 2008 to October 2011.

NOTE 16 – ECONOMIC DEPENDENCY

The continuing operation of the Union is dependent upon the financial support by the Canberra Tradesmen's Union Club and the Woden Tradesmen's Union Club to the CFMEU ACT Branch. The support from Canberra Tradesmen's Union Club included a loan repayment totalling \$869,260 for the year ended 31 December 2009. The value of financial support from Woden Tradesmen's Union Club was \$130,000 for the year ended 31 December 2009.

**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 17 - FINANCIAL RISK MANAGEMENT

The union's financial instruments consist mainly of deposits with bank, short term investments, accounts receivable and accounts payable.

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

	Note	2009	2008 Restated	As at 1 January 2008 Restated
		\$	\$	\$
Financial Assets				
Cash and cash equivalents	5	1,028,335	776,593	411,909
Available for sale financial assets				
— Shares in listed corporations	9	1,375	-	-
Receivables	6	118,050	128,641	6,496
Loans to related parties	6	1,282,796	-	480,226
		<u>2,430,556</u>	<u>905,234</u>	<u>898,631</u>
Financial Liabilities				
Financial liabilities at amortised cost				
— Trade and other payables	11	354,406	388,374	237,364
		<u>354,406</u>	<u>388,374</u>	<u>237,364</u>

Financial Risk Management Policies

Consisting of senior committee members, the finance and investment committee's overall risk management strategy seeks to assist the union in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

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

a. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 17 - FINANCIAL RISK MANAGEMENT (continued)

Specific Financial Risk Exposures and Management (continued)

b. Liquidity risk

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

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing only in surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

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**NOTES TO THE FINANCIAL STATEMENTS
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Financial liability and financial asset maturity analysis

	Note	Within 1 Year		1 to 5 Years		Over 5 Years		Total contractual cash flow	
		2009	2008	2009	2008	2009	2008	2009	2008
		\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment									
Trade and other payables (excluding estimated annual leave and deferred income)	11	115,262	166,201	-	-	-	-	115,262	166,201
Total expected outflows		115,262	166,201	-	-	-	-	115,262	166,201
Financial assets – cash flows realisable									
Cash and cash equivalents	5	1,028,335	776,593	-	-	-	-	1,028,335	776,593
Trade, term and loans receivables	6	1,400,846	128,641	-	-	-	-	1,400,846	128,641

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

NOTE 17 - FINANCIAL RISK MANAGEMENT (continued)

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments which are carried at amortised cost are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the company.

	Footnote	2009		2008	
		Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	1,028,335	1,028,335	776,593	776,593
Trade and other receivables	(i)	118,050	118,050	128,641	128,641
Loans receivable	(i)	1,282,796	1,282,796	-	-
Investments – available-for-sale	(ii)	1,375	1,375	-	-
Total financial assets		2,430,556	2,430,556	905,234	905,234
Financial liabilities					
Trade and other payables	(i)	115,262	115,262	166,201	166,201
Loans payable	(i)	-	-	869,651	869,651
Total financial liabilities		115,262	115,262	1,035,852	1,035,852

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for relating to annual leave and deferred income which is not considered a financial instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

NOTE 17 - FINANCIAL RISK MANAGEMENT (continued)

- (ii) For listed available-for-sale financial assets, closing quoted bid prices at reporting date are used.

Net Fair Values (continued)

- (iii) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate lease liability will differ to the carrying values.

Sensitivity Analysis

The following table illustrates sensitivities to the union's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at balance date 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.

	Financial Assets		Financial Liabilities	
	Profit	Equity	Profit	Equity
	\$	\$	\$	\$
Year Ended 31 December 2009				
+/- 2% in interest rates	20,541	20,541	-	-
+/- 10% in listed investments	138	138	-	-
Year Ended 31 December 2008				
+/- 2% in interest rates	15,506	15,506	-	-
+/- 10% in listed investments	-	-	-	-

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

No sensitivity analysis has been performed on foreign exchange risk, as the union is not exposed to foreign currency fluctuations.

NOTE 18 - CAPITAL MANAGEMENT

Management control the capital of the union to ensure that adequate cash flows are generated to fund its operations and that returns from investments are maximised. Management ensures that the overall risk management strategy is in line with this objective.

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

There have been no changes to the strategy adopted by management to control the capital of the union since previous year.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND
GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

NOTE 19 - CONTINGENT LIABILITIES

As at balance date the Union has no known contingent liabilities.

NOTE 20 - COMMITMENTS

	2009	2008
	\$	\$
Non-cancellable motor vehicle leases entered into prior to 31 December 2009.		
Payable – minimum lease payments		
- not later than 12 months	67,463	27,243
- between 12 months but not later than 5 years	11,786	-
- greater than 5 years	-	-
	<u>79,249</u>	<u>27,243</u>

NOTE 21 – SEGMENT REPORTING

The Union operates predominantly in one industry and geographical segment, being in the trade union sector throughout Australia.

NOTE 22 – UNION DETAILS

The registered office of the union is:

2 Badham Street
Dickson ACT 2602

11 January 2010



Ms Sarah Schoonwater
Secretary, Australian Capital Territory Branch, Construction & General Division
Construction, Forestry, Mining and Energy Union
PO Box 498
DICKSON ACT 2602

Fair Work
Australia



Dear Ms Schoonwater

**Lodgment of Financial Statements and Accounts –
Australian Capital Territory Branch, Construction & General Division - for year ended 31 December 2009
(FR2009/10243)**

The financial year of the Australian Capital Territory Branch, Construction & General Division, has recently ended. This is a courtesy letter to remind you of the obligation to prepare the reporting unit's financial documents and to lodge audited financial accounts and statements with Fair Work Australia within the prescribed time frame unless a 1 month extension or an application for a certificate of exemption under the *Fair Work (Registered Organisations) Act 2009* ('the RO Act') is applied for and granted.

The documents you must lodge include:

(i) A *general purpose financial report* [see section 253(2)]; (ii) A *Committee of Management statement* (see the General Manager's Reporting Guidelines); (iii) An *operating report* [see section 254(2)]; (iv) An *auditor's report* [see sections 257(5) to 257(11)]; and (v) A *certificate* of the *secretary or other designated officer* [see section 268(c)].

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 your 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 an eligible meeting* (either of the members or of the committee, whichever applies). Note that this meeting is distinct from any initial committee meeting convened to prepare, sign or otherwise approve pre-audited documents.

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>. If you are in any doubt as to the requirements or wish to clarify any aspect of the relevant legislation, or anticipate any difficulty in complying with the requirements, do not hesitate to contact Fair Work Australia.

Yours sincerely,

Stephen Kellett
Statutory Services Branch

Fair Work Australia
Level 8, 80 William Street
EAST SYDNEY NSW 2011

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