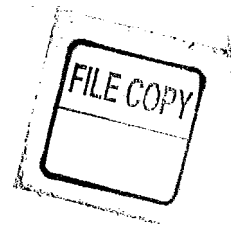




FAIR WORK
AUSTRALIA

2 July 2010

Mr Dave Noonan
Divisional Secretary, Construction and General Division
CFMEU
PO Box Q235, QVB Post Office
SYDNEY NSW 1230



Dear Mr Noonan

**Re: Lodgement of Financial Statements and Accounts – Construction and General Division
– for year ending 31 December 2009 (FR2009/10239)**

Thank you for lodging the above financial return which was received by Fair Work Australia on 30 June 2010.

The documents have been filed.

Yours sincerely,

Stephen Kellett

Statutory Services Branch

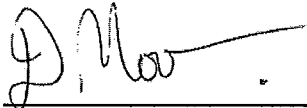
Construction, Forestry, Mining and Energy Union

(Construction and General Division)

FOR THE YEAR ENDED 31 DECEMBER 2009

SECRETARY'S CERTIFICATE

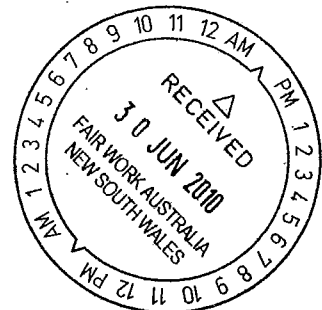
Pursuant to Section 268 of the *Fair Work (Registered Organisations) Act 2009*, I, David Noonan certify that the auditor's report, accounts and statements of the abovenamed Division for the year ended 31 December 2009, annexed hereto and provided to members on 17 June 2010, are copies of the documents presented to the meeting of the Divisional Branch Management Committee on 29 June 2010.



Divisional Secretary
CFMEU
Construction & General Division

29 June 2010

Date



**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**

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OPERATING REPORT

The Committee of Management of the Construction Forestry Mining and Energy Union, Construction and General Division, National Office (The Union) present their Operating Report on the Union for the year ended 31 December 2009.

Committee of Management

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

| NAME | POSITION | PERIOD OF APPOINTMENT |
|-------------------|-----------------------|-----------------------|
| Dave Noonan | National Secretary | 1/1/09 to 31/12/09 |
| Tom Watson | President | 1/1/09 to 31/12/09 |
| Albert Littler | Senior Vice President | 1/1/09 to 13/10/09 |
| Peter McClelland | Senior Vice President | 1/1/09 to 31/12/09 |
| Joe McDonald | Senior Vice President | 1/1/09 to 31/12/09 |
| John Setka | Senior Vice President | 13/10/09 to 31/12/09 |
| Lindsay Fraser | Assistant Secretary | 1/1/09 to 31/12/09 |
| Martin Kingham | Assistant Secretary | 1/1/09 to 31/12/09 |
| Peter Close | Vice President | 1/1/09 to 31/12/09 |
| Ralph Edwards | Vice President | 1/1/09 to 31/12/09 |
| Noel Washington | Vice President | 1/1/09 to 31/12/09 |
| Andrew Ferguson | COM Member | 1/1/09 to 31/12/09 |
| Bill Oliver | COM Member | 1/1/09 to 31/12/09 |
| Brian Fitzpatrick | COM Member | 1/1/09 to 13/10/09 |
| Brian Parker | COM Member | 1/1/09 to 31/12/09 |
| Cam McCullough | COM Member | 1/1/09 to 31/12/09 |
| Dean Hall | COM Member | 1/1/09 to 31/12/09 |
| Greg Simcoe | COM Member | 1/1/09 to 31/12/09 |
| John Sutton | COM Member | 1/1/09 to 31/12/09 |
| Justin Feehan | COM Member | 1/1/09 to 31/12/09 |
| Keith Murphy | COM Member | 1/1/09 to 13/10/09 |
| Kevin Reynolds | COM Member | 1/1/09 to 31/12/09 |
| Martin O'Malley | COM Member | 1/1/09 to 31/12/09 |
| Michael Ravbar | COM Member | 1/1/09 to 31/12/09 |
| Sarah Schoonwater | COM Member | 1/1/09 to 31/12/09 |
| Steve Roach | COM Member | 1/1/09 to 31/12/09 |
| Tony Benson | COM Member | 1/1/09 to 31/12/09 |
| Wayne O'Neill | COM Member | 1/1/09 to 13/10/09 |

Principal Activities

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

- Implementation of Divisional Executive Decisions.
- Maintenance of Union Rules, Registrations and Affiliations.
- Organising Executive Meetings and Divisional Conferences as well as National Safety Officer Meetings.

OPERATING REPORT (Continued)

Principal Activities (Continued)

- Conducting Activities for Parliamentary, Divisional and Divisional Branch elections, including assisting with statutory requirements.
- Co-ordinating seminars / education courses for Branch Officers to inform them of current developments or to seek collective input in the development of national policies.
- Representing the Division's interest on various national committees and organisations.
- Co-ordinating the involvement of the Union in relevant international trade union bodies and conferences.
- Responsibility for servicing national awards and enterprise agreements and maintaining related information services. Divisional Office also advises Branches on industrial matters.
- Provision to Branches with economic and industrial research.
- Provision to Branches of assistance with administration and financial management.
- Provision to Branches of a National Library including information service / library through an electronic data base.
- Co-ordinating O H & S nationally and maintaining a national policy database and information service.
- Providing prime responsibility of initiating and leading the conduct of legal action launched in defence of the Division's constitutional work.
- Providing a National Computer Department to service each Branch and Divisional Office.
- Provision of National Publicity Services in respect of the national newspaper, safety newsletter and various brochures on industrial issues, media issues etc
- Provision of a National Training Agenda by representing the Union on various Boards and Committees.

Results of Activities

The result of the Union for the financial year was a loss of \$213,186 (2008: Loss of \$667,541).

Significant Changes in Nature of Activities

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

Significant Changes in Financial Affairs

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

OPERATING REPORT (Continued)

Membership of the Union

There were 62,474 financial members of the Union as at 31 December 2009.

Rights of Members to Resign

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

Employees of the Union

As at 31 December 2009 the Union employed 14 full time employees.

Superannuation Trustees

Mr Dave Noonan is the National Secretary of the Union and 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 John Sutton is a Committee of Management Member of the Union and is a director of United Super Pty Ltd which acts as Trustee of C Bus.

Mr Andrew Ferguson is a Committee of Management Member of the Union, and holds an alternate directorship (on behalf of Mr Dave Noonan and Mr John Sutton) of United Super Pty Ltd which acts as Trustee of C Bus.

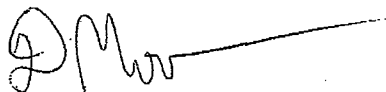
Mr Albert Littler is the retired Joint Divisional Senior Vice-President of the Union; he held office until October 2009 and is a director of United Super Pty Ltd which acts as Trustee of C Bus.

Mr Martin Kingham was an Assistant Secretary of the Union; he held that position until March 2010 and holds an alternate directorship (on behalf of Mr Albert Littler) of United Super Pty Ltd which acts as Trustee of C Bus.

Mr Gregory Simcoe is a member of the Committee of Management of the Union and is a director of BUSS (Queensland) Pty Ltd which acts as Trustee of BUSS[Q].

No other officer or member of the Union acts:

- (i) as a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) as a director of a Union that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.



.....
DAVE NOONAN
National Secretary

Dated this 4th day of May 2010.

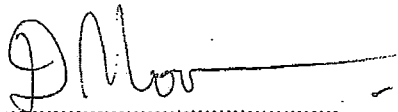
COMMITTEE OF MANAGEMENT STATEMENT

On 4th of May, 2010 the Committee of Management of Construction Forestry Mining and Energy Union Construction and General Division – National Office ("The Union"), passed the following resolution in relation to the general purpose financial report (GPFR) of the Union, for the financial year ended 31 December 2009:

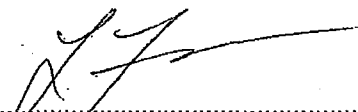
The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) The financial statements and notes comply with Australian Accounting Standards;
- (b) The financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year to which they relate;
- (d) There are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; 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 Union; and
 - (ii) The financial affairs of the Union have been managed in accordance with the rules of the Union; and
 - (iii) The financial records of the Union have been kept and maintained in accordance with section 255 of the Fair Work (Registered Organisations) Act 2009 ('The RO Act') and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) No information has been sought in any request of a member of the Union or by the General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (v) No orders for inspection of financial records have been made by Fair Work Australia or FWA under section 273 of the Fair Work (Registered Organisations) Act 2009.

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



DAVE NOONAN
National Secretary



LINDSAY FRASER
Assistant Secretary

Dated this 4th day of May 2010.

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

Report on the Financial Report

We have audited the accompanying financial report of the Construction Forestry Mining and Energy Union – Construction and General Division, National Office ("the Union"), which comprises the Balance Sheet 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 the significant accounting policies and other explanatory notes and the Committee of Management Statement.

Committee of Management's Responsibility for the Financial Report

The Union's Committee of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 ('The RO Act'). 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.

Audit Responsibility

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

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

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

Independence

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

**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF THE CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**
Continued...

AUDIT OPINION

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

- (a) The Fair Work (Registered Organisations) Act 2009 ('The RO Act'), including:
- (i) Giving a true and fair value of the Union's financial position as at 31 December 2009 and of its performance for the year ended on that date; and
 - (ii) Complying with Accounting Standards (including the Australia Accounting Interpretations); and
- (b) The requirements imposed by Part 3 of Chapter 8 of the RO Act.

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

M. L. Gleeson
.....
M L Gleeson
Registered Company Auditor

Dated this 4th day of May 2010.

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

| | NOTE | 2009 \$ | 2008 \$ |
|---|------|-------------------------|-------------------------|
| Revenue | 2 | 3,819,571 | 4,117,474 |
| <i>Operating Expenses</i> | | | |
| Employee Benefits Expenses | | (1,839,679) | (1,501,560) |
| Depreciation and Amortisation Expenses | | (188,881) | (179,249) |
| Donation Expenses | | (11,859) | (158,560) |
| Other Expenses | | (1,992,338) | (2,242,891) |
| <i>Total Operating Expenses</i> | | <u>(4,032,757)</u> | <u>(4,082,260)</u> |
| Operating Result Before Non-Operating Expenses | | <u>(213,186)</u> | <u>35,214</u> |
| <i>Non-Operating Expenses</i> | | | |
| Write Down of Property to Recoverable Amount | 8(b) | - | (702,755) |
| Net Result Attributable to Members | | <u>(213,186)</u> | <u>(667,541)</u> |
| Other Comprehensive Income: | | | |
| Other Comprehensive Income Items | | - | - |
| Other Comprehensive Income for the year | | <u>-</u> | <u>-</u> |
| Total Comprehensive Income Attributable to Members | | <u><u>(213,186)</u></u> | <u><u>(667,541)</u></u> |

The accompanying notes form part of these financial statements.

**BALANCE SHEET
 AS AT 31 DECEMBER 2009**

| | NOTE | 2009 \$ | 2008 \$ |
|--------------------------------------|------|------------------|------------------|
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | 4 | 488,908 | 156,550 |
| Trade and Other Receivables | 5 | 912,192 | 1,494,268 |
| Financial Assets | 6 | 3,246,957 | 2,839,849 |
| Other Current Assets | 7 | 32,213 | 36,430 |
| TOTAL CURRENT ASSETS | | <u>4,680,270</u> | <u>4,527,097</u> |
| NON-CURRENT ASSETS | | | |
| Trade and Other Receivables | 5 | 44,750 | 44,750 |
| Property, Plant and Equipment | 8 | 4,018,240 | 4,122,970 |
| TOTAL NON-CURRENT ASSETS | | <u>4,062,990</u> | <u>4,167,720</u> |
| TOTAL ASSETS | | <u>8,743,260</u> | <u>8,694,817</u> |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | 9 | 408,579 | 407,667 |
| Short-term Provisions | 10 | 966,036 | 707,385 |
| TOTAL CURRENT LIABILITIES | | <u>1,374,615</u> | <u>1,115,052</u> |
| NON-CURRENT LIABILITIES | | | |
| Long-term Provisions | 10 | 9,848 | 7,782 |
| TOTAL NON-CURRENT LIABILITIES | | <u>9,848</u> | <u>7,782</u> |
| TOTAL LIABILITIES | | <u>1,384,463</u> | <u>1,122,834</u> |
| NET ASSETS | | <u>7,358,797</u> | <u>7,571,983</u> |
| ACCUMULATED FUNDS | | | |
| Accumulated Members' Funds | | <u>7,358,797</u> | <u>7,571,983</u> |

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009**

| | 2009 | 2008 |
|-----------------------------------|------------------|------------------|
| | \$ | \$ |
| Opening Balance as at 1 January | 7,571,983 | 8,239,524 |
| Result Attributable to Members | (213,186) | (667,541) |
| Closing Balance as at 31 December | <u>7,358,797</u> | <u>7,571,983</u> |

The accompanying notes form part of these financial statements.

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

| | NOTE | 2009 \$ | 2008 \$ |
|---|-------|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Membership Levies | | 3,503,079 | 2,435,391 |
| Interest Received | | 152,809 | 244,219 |
| Sundry Income | | 1,171,487 | 1,101,563 |
| Payments to Suppliers and Employees | | (4,003,758) | (4,273,054) |
| NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES | 13(b) | <u>823,617</u> | <u>(491,881)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Property, Plant and Equipment | | - | 19,539 |
| Purchase of Property, Plant and Equipment | | (84,151) | (90,613) |
| Net Proceeds from Sale of Investments | | - | 190,151 |
| Net Purchase of Investments | | (407,108) | - |
| NET CASH (USED IN) / PROVIDED BY INVESTING ACTIVITIES | | <u>(491,259)</u> | <u>119,077</u> |
| NET INCREASE / (DECREASE) IN CASH HELD | | 332,358 | (372,804) |
| CASH AT THE START OF YEAR | | <u>156,550</u> | <u>529,354</u> |
| CASH AT THE END OF YEAR | 13(a) | <u><u>488,908</u></u> | <u><u>156,550</u></u> |

The accompanying notes form part of these financial statements

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation

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

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

The financial report has been prepared on an accruals basis, except where specifically stated, and is 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) PROPERTY, PLANT & EQUIPMENT

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

Property, Plant and Equipment

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

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

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

Depreciation

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

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *Continued*

(a) PROPERTY, PLANT & EQUIPMENT *CONTINUED*

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

| <i>Class of Fixed Asset</i> | <i>Depreciation Rate</i> |
|-------------------------------|--------------------------|
| Buildings | 2% |
| Office Furniture and Fittings | 10 – 20% |
| Computer Equipment | 20 – 30% |
| Motor Vehicles | 20% |

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

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

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

(b) INCOME TAX

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

(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, are transferred to the Union are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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.

(d) FINANCIAL INSTRUMENTS

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Union becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *Continued*

(d) FINANCIAL INSTRUMENTS *CONTINUED*

Classification and Subsequent Measurement

Loans and Receivables

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

Held-to-Maturity Investments

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

Available-for-Sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

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

(e) IMPAIRMENT OF ASSETS

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

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

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

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

1. STATEMENT OF ACCOUNTING POLICIES *Continued*

(f) EMPLOYEE BENEFITS

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to Balance Sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the net present value.

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

(g) 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.

(h) 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.

(i) REVENUE

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

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

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the balance sheet.

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

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

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

(j) GOODS AND SERVICES TAX (GST)

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

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

(k) COMPARATIVE FIGURES

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

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

1. STATEMENT OF ACCOUNTING POLICIES *Continued*

(I) ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

During the current year the Union adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Construction Forestry Mining and Energy Union, Construction and General Division, National Office.

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Union's financial statements.

Disclosure impact

Terminology changes — The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Union's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

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

1. STATEMENT OF ACCOUNTING POLICIES *Continued*

(m) NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Union has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Union follows:

- AASB 2008–5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (applicable for annual reporting periods commencing from 1 January 2009) and AASB 2008–6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (applicable for annual reporting periods commencing from 1 July 2009).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Union.

- AASB 2009–4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009–5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Union.

- AASB 2009–7: Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17] (applicable for annual reporting periods commencing on or after 1 July 2009).

This standard reflects editorial changes made to a number of accounting standards by the IASB. No changes are expected to materially affect the Union.

The Union does not anticipate early adoption of any of the above reporting requirements.

(n) CURRENT -V- NON CURRENT SPLIT OF LEAVE PROVISIONS

Under the IASB improvements project, AASB 119 Employee Entitlements has amended the definitions and commentary relating to "short term" and "other long term" employee benefits to make it clear that it is the timing of the employee's entitlement to the benefit rather than the expected timing of the settlement of the benefit that must be the basis of the classification. Therefore, such a balance should be classified as short term because the employee is entitled to be compensated for the leave within 12 months of them rendering the service. The relevant clarification amendments to AASB 119 are contained in Omnibus 2008-5 which is applicable to financial years beginning on or after 1 January 2009.

These amendments have required changes to employee entitlement disclosures within the financial report – specifically to the current versus non-current split of liabilities in the Balance Sheet. However, there has been no direct impact on recognition and measurement criteria amounts included in the financial report.

This change in accounting policy has increased the current liabilities in the 2008 balance sheet from \$595,481 to \$1,115,052. Correspondingly, the total non-current provisions have decreased from \$527,353 to \$7,782.

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

| | NOTE | 2009 \$ | 2008 \$ |
|--|------|------------------|------------------|
| 2. REVENUE | | | |
| <i>Service Revenue</i> | | | |
| Membership Levies | | 2,880,790 | 2,887,103 |
| Interest Received | | 156,136 | 254,241 |
| Computer Costs Reimbursed | | 6,121 | 4,619 |
| Meetings & Conferences | | 9,866 | 14,804 |
| Attendance Fees | | 188,248 | 185,013 |
| Wages Reimbursements | | 26,276 | 25,000 |
| Occupancy Costs Reimbursed | | 56,432 | 78,411 |
| Darwin Associated Costs Reimbursed | | 293,155 | 293,961 |
| Advertising Revenue | | 53,775 | 30,525 |
| Rents Received | | 23,250 | 20,167 |
| National Conference Sponsorship –2009 | | 125,000 | - |
| Sundry Income | | 522 | - |
| Special Levy – 2008 Election | | - | 65,982 |
| Legal Costs Recovered | | - | 239,956 |
| Profit on Disposal of Plant & Equipment | | - | 17,692 |
| | | <u>3,819,571</u> | <u>4,117,474</u> |
| 3. RESULT FOR THE YEAR | | | |
| Remuneration of Auditors | | | |
| - Auditing the Financial Report | | 11,000 | 11,000 |
| - Other Services | | 12,393 | 11,743 |
| | | <u>23,393</u> | <u>22,743</u> |
| (a) SIGNIFICANT REVENUE ITEMS | | | |
| Legal Costs Recovered | | - | 239,956 |
| Special Levy – 2008 Election | | - | 65,982 |
| National Conference Sponsorship –2009 | | 125,000 | - |
| | | <u>125,000</u> | <u>305,938</u> |
| (b) SIGNIFICANT EXPENSE ITEMS | | | |
| Write Down of Property to Recoverable Amount | 8(b) | - | 702,755 |
| Donation Expenses | | 11,859 | 158,560 |
| Legal Expenses | | 19,844 | 148,920 |
| ACTU Campaign | | - | 320,359 |
| National Conference Expenses | | 128,222 | - |
| | | <u>159,925</u> | <u>1,330,594</u> |
| 4. CASH AND CASH EQUIVALENTS | | | |
| Deposits at Call | | 331,461 | 54,143 |
| Cash on Hand | | 1,500 | 1,500 |
| Cash at Bank – Main Account | | 155,947 | 100,907 |
| | | <u>488,908</u> | <u>156,550</u> |

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

| | NOTE | 2009 \$ | 2008 \$ |
|--|------|------------------|------------------|
| 5. TRADE AND OTHER RECEIVABLES | | | |
| <i>Current</i> | | | |
| Other Receivables | | 132,937 | 383,663 |
| Interest Receivable | | 40,686 | 37,359 |
| | | <u>173,623</u> | <u>421,022</u> |
| Amounts due from Branches – Membership Levies | 11 | 738,569 | 1,073,246 |
| | | <u>912,192</u> | <u>1,494,268</u> |
| <i>Non Current</i> | | | |
| Receivable from South Australia Branch | | 44,750 | 44,750 |
| | | <u>44,750</u> | <u>44,750</u> |
| Current receivables are within the trade terms and not impaired. | | | |
| 6. FINANCIAL ASSETS | | | |
| Held-to-Maturity: Term Deposits | | <u>3,246,957</u> | <u>2,839,849</u> |
| 7. OTHER CURRENT ASSETS | | | |
| Prepayments | | <u>32,213</u> | <u>36,430</u> |
| 8. PROPERTY, PLANT & EQUIPMENT | | | |
| Land – At Cost | | <u>250,000</u> | <u>250,000</u> |
| Buildings – At Cost | | 4,946,140 | 4,946,140 |
| Less Accumulated Depreciation | | (700,043) | (570,885) |
| Less Provision for Impairment | 8(b) | (702,755) | (702,755) |
| | | <u>3,543,342</u> | <u>3,672,500</u> |
| TOTAL LAND & BUILDINGS | | <u>3,793,342</u> | <u>3,922,500</u> |
| Office Furniture and Equipment – At Cost | | 154,225 | 151,317 |
| Less Accumulated Depreciation | | (124,135) | (114,731) |
| | | <u>30,090</u> | <u>36,586</u> |
| Computer Equipment – At Cost | | 243,953 | 202,020 |
| Less Accumulated Depreciation | | (150,859) | (173,238) |
| | | <u>93,094</u> | <u>28,782</u> |

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

| | 2009 \$ | 2008 \$ |
|---|------------------|------------------|
| 8. PROPERTY, PLANT & EQUIPMENT <i>Continued...</i> | | |
| Motor Vehicles – At Cost | 166,939 | 166,938 |
| Less Accumulated Depreciation | (65,225) | (31,836) |
| | <u>101,714</u> | <u>135,102</u> |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | <u>4,018,240</u> | <u>4,122,970</u> |

(a) Movements In Carrying Amounts

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

| | LAND \$ | BUILDINGS \$ | FURNITURE, FITTINGS & EQUIPMENT \$ | MOTOR VEHICLES \$ | TOTAL \$ |
|--------------------------|----------------|------------------|---|-------------------------|------------------|
| 2009 | | | | | |
| Balance at Start of Year | 250,000 | 3,672,500 | 65,368 | 135,102 | 4,122,970 |
| Additions | - | - | 84,151 | - | 84,151 |
| Disposals | - | - | - | - | - |
| Depreciation | - | (129,158) | (26,335) | (33,388) | (188,881) |
| Balance at End of Year | <u>250,000</u> | <u>3,543,342</u> | <u>123,184</u> | <u>101,714</u> | <u>4,018,240</u> |
| 2008 | | | | | |
| Balance at Start of Year | 250,000 | 4,504,413 | 64,514 | 97,281 | 4,916,208 |
| Additions | - | - | 23,442 | 67,171 | 90,613 |
| Disposals | - | - | (95) | (1,752) | (1,847) |
| Impairment Provision | - | (702,755) | - | - | (702,755) |
| Depreciation | - | (129,158) | (22,493) | (27,598) | (179,249) |
| Balance at End of Year | <u>250,000</u> | <u>3,672,500</u> | <u>65,368</u> | <u>135,102</u> | <u>4,122,970</u> |

(b) Provision for Impairment

An independent valuation of the property situated at 276 Pitt Street, Sydney, was sought in respect of the 31 December 2008 financial year-end. This valuation, effective 17 February 2009, indicated that the current market value of the property for financial reporting purposes was \$3,350,000. This was \$702,755 less than the carrying value as at 31 December 2008, resulting in an impairment loss for this amount.

As at 31 December 2009, the Committee of Management has assessed that the impairment loss previously recognised still exists as commercial property in Sydney remains subdued due to reduced demand and the economic downturn generally.

| | 2009 \$ | 2008 \$ |
|------------------------------------|----------------|----------------|
| 9. TRADE AND OTHER PAYABLES | | |
| Payables – Legal Matters | 23,500 | 43,641 |
| Payables – Other | 385,079 | 364,026 |
| | <u>408,579</u> | <u>407,667</u> |

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

| | 2009 \$ | 2008 \$ |
|-------------------------|----------------|----------------|
| 10. PROVISIONS | | |
| Current | | |
| Annual Leave | 360,580 | 324,128 |
| Long Service Leave | 455,395 | 383,257 |
| Redundancy | 150,061 | - |
| | <u>966,036</u> | <u>707,385</u> |
| Non-Current | | |
| Long Service Leave | 9,848 | 7,782 |
| TOTAL PROVISIONS | <u>975,884</u> | <u>715,167</u> |

Based on past experience, the Union does not expect the full balance of the current provision for employee benefits to be recovered within 12 months. However, as the Union does not have an unconditional right of deferral, the balance is presented as current liability.

(a) Employee Benefits Attributable to:

| | | |
|----------------|----------------|----------------|
| Office Holders | 518,862 | 271,044 |
| Staff | 457,022 | 444,123 |
| | <u>975,884</u> | <u>715,167</u> |

11. AMOUNTS DUE FROM BRANCHES - MEMBERSHIP LEVIES (INCL GST)

| | BALANCE OWING 31/12/08 \$ | ADD AMOUNTS CHARGED \$ | LESS CASH RECEIVED \$ | BALANCE OWING 31/12/09 \$ |
|------------------------------|------------------------------------|---------------------------------|--------------------------------|------------------------------------|
| New South Wales | 333,867 | 645,057 | (724,715) | 254,209 |
| Victoria | 177,925 | 1,176,640 | (1,254,212) | 100,353 |
| Queensland | 197,958 | 395,485 | (490,195) | 103,248 |
| South Australia | 50,969 | 108,222 | (128,297) | 30,894 |
| Western Australia | 241,822 | 513,774 | (650,181) | 105,415 |
| Tasmania | (12,057) | 32,087 | (20,000) | 30 |
| Australian Capital Territory | 22,822 | 56,615 | (60,841) | 18,596 |
| BTP Division | (818) | 36,305 | (22,000) | 13,487 |
| Queensland Labourers | 60,758 | 204,683 | (153,104) | 112,337 |
| TOTAL | <u>1,073,246</u> | <u>3,168,868</u> | <u>(3,503,545)</u> | <u>738,569</u> |

The amount of GST included in the "Amounts Charged" is \$288,079 (2008: \$288,710).

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

| | NOTE | 2009 \$ | 2008 \$ |
|--|------|----------------|------------------|
| 12. CONTINGENT LIABILITIES | | | |
| The Union has provided a guarantee to its bankers in relation to a banking facility. | | | |
| | | <u>51,000</u> | <u>51,000</u> |
| 13. CASH FLOW INFORMATION | | | |
| (a) RECONCILIATION OF CASH | | | |
| Cash and Cash Equivalents | 4 | <u>488,908</u> | <u>156,550</u> |
| (b) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH RESULT | | | |
| Result | | (213,186) | (667,541) |
| Non-Cash Flows in Result | | | |
| Depreciation | | 188,881 | 179,249 |
| Provision for Impairment | | - | 702,755 |
| Profit on Disposal of Non-Current Assets | | - | (17,692) |
| Changes in Assets and Liabilities | | | |
| (Increase)/Decrease in Amounts Due from Branches | | 334,677 | (492,768) |
| (Increase)/Decrease in Interest Receivable | | (3,327) | (10,022) |
| (Increase)/Decrease in Prepayments | | 4,217 | (30,242) |
| (Increase)/Decrease in Other Receivables | | 250,726 | (247,654) |
| Increase/(Decrease) in Employee Entitlements | | 260,717 | 28,518 |
| Increase/(Decrease) in Trade and Other Payables | | 912 | 63,516 |
| CASH FLOWS FROM OPERATIONS | | <u>823,617</u> | <u>(491,881)</u> |

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

14. FINANCIAL RISK MANAGEMENT

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

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

| | NOTE | 2009 \$ | 2008 \$ |
|---|------|------------------|------------------|
| Financial Assets | | | |
| Cash and cash equivalents | 4 | 488,908 | 156,550 |
| Trade and other receivables | 5 | 956,942 | 1,539,018 |
| Held to maturity financial assets | 6 | 3,246,957 | 2,839,849 |
| | | <u>4,692,807</u> | <u>4,535,417</u> |
| Financial Liabilities | | | |
| Financial liabilities at amortised cost | | | |
| - Trade and other payables | 9 | <u>408,579</u> | <u>407,667</u> |

Financial Risk Management Policies

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

Specific Financial Risk Exposures and Management

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

The Union does not have any material credit risk exposure as the major source of revenue is the membership levies due from the Branches.

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 Balance Sheet.

The Union has no significant concentration of credit risk exposure to any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management. Surplus funds are only invested with only invested with Australian Deposit Institutions as regulated APRA and that are currently covered by the Australian federal government's deposit guarantee. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

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

| | NOTE | 2009 \$ | 2008 \$ |
|---|------|------------------|------------------|
| 14. FINANCIAL RISK MANAGEMENT <i>Continued</i> | | | |
| Cash and cash equivalents | | | |
| - AA rated | | 338,618 | 118,998 |
| - BBB rated | | 148,790 | 36,052 |
| | 4 | <u>487,408</u> | <u>155,050</u> |
| Held to Maturity Securities | | | |
| - AA rated | | 860,000 | 1,320,000 |
| - BBB rated | | 2,083,466 | 1,519,849 |
| - ADI (Credit Unions unrated by S&P) | | 303,491 | - |
| | 6 | <u>3,246,957</u> | <u>2,839,849</u> |

(b) Liquidity risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Union manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

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

| | WITHIN 1 YEAR \$ | 1 TO 5 YEARS \$ | OVER 5 YEARS \$ | TOTAL CONTRACTUAL CASH FLOW \$ |
|------------------------------|---------------------|--------------------|--------------------|---|
| At 31 December 2009 | | | | |
| Financial liabilities | | | | |
| Trade & Other Payables | 408,579 | - | - | 408,579 |
| Total Financial Liabilities | <u>408,579</u> | <u>-</u> | <u>-</u> | <u>408,579</u> |
| At 31 December 2008 | | | | |
| Financial liabilities | | | | |
| Trade & Other Payables | 407,667 | - | - | 407,667 |
| Total Financial Liabilities | <u>407,667</u> | <u>-</u> | <u>-</u> | <u>407,667</u> |

(c) Market Risk

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 or the fair value of fixed rate financial instruments. The Union is also exposed to earnings volatility on floating rate instruments.

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

14. FINANCIAL RISK MANAGEMENT *Continued*

Sensitivity analysis

The following table illustrates sensitivities to the Union's exposure to changes in interest rates. The table indicates the impact on how profit and equity values reported 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.

| | 2009 \$ | 2008 \$ |
|-----------------------------------|------------|------------|
| Change in profit | | |
| — Increase in interest rate by 1% | 35,563 | 25,995 |
| — Decrease in interest rate by 1% | (35,563) | (25,995) |
| Change in equity | | |
| — Increase in interest rate by 1% | 35,563 | 25,995 |
| — Decrease in interest rate by 1% | (35,563) | (25,995) |

Net Fair Values

Fair value estimation

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

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

15. CAPITAL MANAGEMENT

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

The gearing ratios for the years ended 31 December 2009 and 31 December 2008 are as follows:

| | 2009 \$ | 2008 \$ |
|---|------------------|------------------|
| Trade and other payables | 408,579 | 407,667 |
| Total | 408,579 | 407,667 |
| Less: Cash and cash equivalents | (488,908) | (156,550) |
| Current Financial Assets Held-to-Maturity | (3,246,957) | (2,839,849) |
| Net debt | Nil | Nil |
| Total equity | 7,358,797 | 7,571,983 |
| Total capital | 7,358,797 | 7,571,983 |
| Gearing ratio | Nil% | Nil% |

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

16. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of subsection 272(4) of the RO Act, attention is drawn to the requirements of subsections (1), (2) and (3) of section 272 of the RO Act, which read as follows:-

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

17. RELATED PARTY INFORMATION

(a) MEMBERS OF THE COMMITTEE OF MANAGEMENT

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

| | |
|--|---|
| Mr. Dave Noonan (National Secretary) | Mr. Tom Watson (President) |
| Mr. Albert Littler (Senior Vice President) | Mr. Joe McDonald (Senior Vice President) |
| Mr. John Setka (Senior Vice President) | Mr. Peter McLelland (Senior Vice President) |
| Mr. Lindsay Fraser (Assistant Secretary) | Mr. Martin Kingham (Assistant Secretary) |
| Mr. Noel Washington (Vice President) | Mr. Peter Close (Vice President) |
| Mr. Ralph Edwards (Vice President) | |

Persons appointed and holding honorary positions as members of the Committee of Management for the financial year:

| | | |
|-------------------|-----------------|-------------------|
| Andrew Ferguson | Greg Simcoe | Michael Ravbar |
| Bill Oliver | John Sutton | Sarah Schoonwater |
| Brian Fitzpatrick | Justin Feehan | Steve Roach |
| Brian Parker | Keith Murphy | Tony Benson |
| Cam McCullough | Kevin Reynolds | Wayne O'Neill |
| Dean Hall | Martin O'Malley | |

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

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

17. RELATED PARTY INFORMATION *Continued...*

(b) RELATED PARTY TRANSACTIONS

Other related parties

- i) Capitation fees totaling \$568,800 (2008: \$508,200) were paid to the Construction, Forestry, Mining and Energy Union during the year.
- ii) During the 2008 year levies totaling \$10,000 were paid to Construction, Forestry, Mining and Energy Union.
- iii) Membership Levies (sustentation fees) and 2008 Federal Election Campaign Levies were charged (excluding GST) to the following Branches during the 2009 and 2008 years:-

| | MEMBERSHIP LEVIES 2009 \$ | TOTAL 2009 \$ | MEMBERSHIP LEVIES 2008 \$ | ELECTION LEVIES 2008 \$ | TOTAL 2008 \$ |
|------------------------------|------------------------------------|---------------------|------------------------------------|----------------------------------|---------------------|
| New South Wales | 586,416 | 586,416 | 603,487 | 29,082 | 632,569 |
| Victoria | 1,069,673 | 1,069,673 | 1,119,600 | - | 1,119,600 |
| Queensland | 359,532 | 359,532 | 356,437 | 17,266 | 373,703 |
| South Australia | 98,383 | 98,383 | 92,064 | 4,212 | 96,276 |
| Western Australia | 467,067 | 467,067 | 434,178 | 15,422 | 449,600 |
| Tasmania | 29,171 | 29,171 | 32,514 | - | 32,514 |
| Australian Capital Territory | 51,468 | 51,468 | 40,912 | - | 40,912 |
| BTP Division | 33,005 | 33,005 | 38,126 | - | 38,126 |
| Queensland Labourers | 186,075 | 186,075 | 169,785 | - | 169,785 |
| | 2,880,790 | 2,880,790 | 2,887,103 | 65,982 | 2,953,085 |

- iv) An amount of \$56,432 (2008: \$78,411) was received from Construction, Forestry, Mining and Energy Union, National Office during the year, for costs associated with occupying the Union premises.
- v) An amount of \$23,250 (2008: \$20,167) was received from Construction, Forestry, Mining and Energy Union, Construction and General Division, New South Wales Divisional Branch during the year, for costs associated with occupying the Union premises.
- vi) An amount of \$25,000 (2008: \$25,000) was received from Construction, Forestry, Mining and Energy Union, Construction and General Division, Brick Tile, Pottery, Construction Materials and Related Products Industry Divisional Branch during the year, for clerical assistance.
- vii) During the year the Union has incurred expenditures associated with the continued operation of the Darwin Branch. The Union has received an amount of \$178,668 (2008: \$186,137) from the branches and divisions of the CFMEU to reimburse the Union these costs incurred.
- viii) From time to time the Union makes expenditures which relate to itself as well as other branches and divisions of the CFMEU. These expenditures are then reimbursed to the Union at cost hence they are not considered to be related party transactions.

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

17. RELATED PARTY INFORMATION Continued...

(c) RELATED PARTY BALANCES

Other related parties

- i) As at balance date, membership levies due from the branches was \$738,569 (2008: \$1,073,246); refer Note 11.
- ii) As at balance date there was a loan of \$44,750 advanced to Construction, Forestry, Mining and Energy Union, Construction and General Division, South Australian Divisional Branch (2008: \$44,750).

18. KEY MANAGEMENT PERSONNEL COMPENSATION

| | 2009 | 2008 |
|--------------------------|----------------|----------------|
| | \$ | \$ |
| Short Term Benefits | 418,283 | 310,375 |
| Post Employment Benefits | 58,598 | 42,015 |
| Other Long Term Benefits | 9,066 | 6,902 |
| Termination benefits | 80,627 | 6,278 |
| | <u>566,574</u> | <u>365,570</u> |

19. ORGANISATION DETAILS

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

20. EVENTS SUBSEQUENT TO BALANCE DATE

- (a) No matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect:
 - (i) the operations of the Union;
 - (ii) the results of those operations; or
 - (iii) the state of affairs of the Union, in subsequent financial years.
- (b) The financial report was authorised for issue on the 4th of May 2010 by the Committee of Management.

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

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

In accordance with the requirements of section 255 of the Fair Work (Registered Organisations) Act 2009 ("the RO Act"), the following necessary disclosures are made:

| | 2009 | 2008 |
|--|------------------|------------------|
| | \$ | \$ |
| PROFIT AND LOSS DISCLOSURES | | |
| ITEMS OF REVENUE | | |
| Entrance fees or periodic subscriptions in respect of membership of the organisation | 2,880,790 | 2,887,103 |
| ITEMS OF EXPENSE | | |
| Fees and periodic subscriptions in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters | 55,000 | 55,000 |
| Compulsory levies imposed on the Union | 568,800 | 508,200 |
| Grants or donations | 11,859 | 158,560 |
| Employee Benefits to: | | |
| - Holders of office | 392,135 | 250,893 |
| - Employees (Other than holders of office) | 1,020,677 | 890,467 |
| | <u>1,412,812</u> | <u>1,141,360</u> |
| Legal costs and other expenses related to litigation or other legal matters | 19,844 | 148,920 |
| Expenses incurred in connection with meetings of members of the Union and any conferences or meeting of councils, committees, panels or other bodies for the holding of which the Union was wholly or partly responsible | 221,802 | 179,783 |

11 January 2010

Mr Dave Noonan
Divisional Secretary, Construction and General Division
Construction, Forestry, Mining and Energy Union
PO Box Q235, QVB Post Office
SYDNEY NSW 1230



Fair Work
Australia



Dear Mr Noonan

**Lodgment of Financial Statements and Accounts –
Construction, Forestry, Mining and Energy Union, Construction and General Division
- for year ended 31 December 2009 (FR2009/10239)**

The financial year of the Construction and 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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