



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

25 May 2009

Mr Andrew Vickers  
General Secretary  
Construction, Forestry, Mining and Energy Union  
Mining & Energy Division  
PO BOX Q1641  
SYDNEY NSW 1230

Dear Mr Vickers

**Re: Lodgement of Financial Statements and Accounts – Construction, Forestry, Mining and  
Energy Union; Mining & Energy Division – for year ending 31 December 2008**  
**(FR2008/576)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 12 May 2009.

The legislative requirements have been met and accordingly the documents have been filed.

Yours sincerely,

A handwritten signature in black ink that reads "David Vale". The signature is written in a cursive style with a large initial 'D'.

David Vale

for Deputy Industrial Registrar



12 May 2009

Stephen Kellett  
Australian Industrial Registry  
Level 8, Terrace Towers  
80 William St,  
East Sydney NSW 2011



Dear Stephen,

**Re: CFMEU Mining & Energy Division**

Please find enclosed the annual Secretary's statement & financial statements for our organisation for the year ended 31 December 2008.

Also attached is the annual statement of donations for 2008.

Should you require any further information please do not hesitate to contact me.

Regards,

A handwritten signature in black ink, appearing to read "Mark Watson".

Mark Watson  
Finance Manager

**CFMEU Mining & Energy** | t: +61 2 9267 1035 | f: +61 2 9267 3198 | e: info@cfmeu.com.au

www.cfmeu.com.au | Level 1, 365 Sussex Street, Sydney NSW 2000 | PO Box Q1641, Sydney NSW 1230 Australia

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION  
MINING & ENERGY DIVISION**

**SECRETARY'S CERTIFICATE**

I, Andrew Vickers, being the General Secretary of the Mining and Energy Division of the Construction, Forestry, Mining and Energy Union, certify:

- That the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- That the full report, was provided to members on 23 March 2009, after adoption of the accounts by the Central Council
- That the full report was supplied to members through the union website, and circulation at work sites. A series of general meetings were held by members of the Mining and Energy Division of the Construction, Forestry, Mining and Energy Union, the last meeting being on 30 April 2009; in accordance with section 266 of the RAO Schedule.



**Andrew Vickers  
General Secretary**

7 May 2009

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
MINING AND ENERGY DIVISION**

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

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## OPERATING REPORT

Your Committee of Management of Construction, Forestry, Mining and Energy Union - Mining & Energy Division ("the Union") present their Operating Report on the Union for the year ended 31 December 2008.

### *Committee of Management*

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

<b>Name</b>	<b>Position</b>	<b>Period of Appointment</b>
Mr T Maher	General President	1/01/2008 to 31/12/2008
Mr P Murray	General Secretary	1/01/2008 to 19/12/2008
Mr A Vickers	General Vice President	1/01/2008 to 31/12/2008
Mr A Drew	Central Councillor	1/01/2008 to 31/12/2008
Mr G Betts	Central Councillor	1/01/2008 to 31/12/2008
Mr W McAndrew	Central Councillor	1/01/2008 to 31/12/2008
Mr C Hinds	Central Councillor	1/01/2008 to 31/12/2008
Mr L Van der Meulen	Central Councillor	1/01/2008 to 31/12/2008
Mr R Whittaker	Central Councillor	1/01/2008 to 31/12/2008
Mr A Honeysett	Central Councillor	1/01/2008 to 31/12/2008
Mr G Wood	Central Councillor	1/11/2008 to 31/12/2008
Mr D Power	Central Councillor	1/01/2008 to 30/06/2008
Mr F Baker	Central Councillor	1/01/2008 to 31/12/2008
Mr R Smith	Central Councillor	1/01/2008 to 30/06/2008
Mr I Murray	Central Councillor	1/01/2008 to 31/12/2008
Mr A Curtis	Central Councillor	1/01/2008 to 30/06/2008
Mr S Brunker	Central Councillor	1/01/2008 to 31/12/2008
Mr T Hardy	Central Councillor	1/07/2008 to 31/12/2008
Mr R Trappel	Central Councillor	1/07/2008 to 31/12/2008
Mr C Brodsky	Central Councillor	1/07/2008 to 31/12/2008

### *Principal Activities*

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

- Adherence to the rules of the Division in furtherance of the objects of the Union consistent with the industrial relations legislation.
- Implementation of the decisions of the Division Executive and Committee of Management.
- Implementation of the Union's organising agenda, including assistance and advice on organising site projects, training and development of officials and planning and resourcing campaigns.
- Industrial support including assistance with legal and legislative matters.
- The administration and variation of federal and state awards.
- Negotiation and registration of certified industrial instruments on behalf of members consistent with the objects of the Workplace Relations Act and the Union rules.
- Media and other communications to members and to the broader local communities of the Division on issues affecting the rank and file.
- Monitoring and improving the health and safety of members.

### *Results of Activities*

The result for the year was a profit of \$13,770,429 (2007: profit of \$2,150,858). Membership contributions in the current year amounted to \$5,594,420 being a \$352,236 increase on last year.

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

The Division has successfully implemented certified agreements for the benefits of members.

## OPERATING REPORT

Continued

### *Significant Changes in Nature of Activities*

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

### *Significant Changes in Financial Affairs*

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

### *Membership of the Union*

There were 20,873 members of the Union as at 31 December 2008 (2007: 18,981).

### *Rights of Members to Resign*

All members of the Union have the right to resign in accordance with Rule 5 (iv)(a) of the Union Rules (and section 174 of the Workplace Relations Act), namely, by providing written notice addressed and delivered to either the District Secretary, or a Lodge Secretary or authorised delegate.

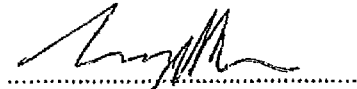
### *Employees of the Union*

As at 31 December 2008 the Union employed 22 full time employees (2007: 24).

### *Superannuation Trustees*

No officer or member of the Union acts:

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



.....  
Tony Maher

Dated this 3<sup>rd</sup> day of March 2009.

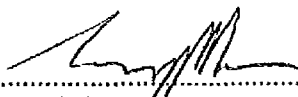
## COMMITTEE OF MANAGEMENT STATEMENT

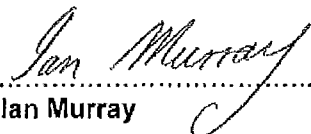
On 3<sup>rd</sup> March 2009, the Committee of Management of the Construction, Forestry, Mining and Energy Union – Mining & Energy Division passed the following resolution in relation to the financial report of the Union, for the year ended 31 December 2008:

The Committee of Management declares in relation to the general purpose financial report that in its opinion:

- a) The financial statements and notes comply with Australian Accounting Standards;
- b) The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year to which they relate;
- d) There are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- e) During the financial year to which the general purpose financial report relates and since the end of that year:-
  - (i) Meetings of the Board of Management were held in accordance with the rules of the Union; and
  - (ii) The financial affairs of the Union have been managed in accordance with the rules of the Union; and
  - (iii) The financial records of the Union have been kept and maintained in accordance with the RAO Schedules and the RAO Regulations; and
  - (iv) The financial records of the Union have been kept, as far as practicable, in a consistent manner to each other reporting unit of the organisation; and
  - (v) No information has been sought in any request of a member of the Union or by a Registrar duly made under section 272 of the RAO Schedule; and
  - (vi) No orders have been made by the Commission in regard to inspection of financial records under section 273 of the RAO Schedule.

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

  
.....  
Tony Maher

  
.....  
Ian Murray

Dated this 3<sup>rd</sup> day of March 2009.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS  
OF THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION - MINING & ENERGY  
DIVISION**

*Report on the Financial Report*

We have audited the accompanying financial report of the Construction, Forestry, Mining and Energy Union - Mining & Energy Division ("the Union"), which comprises the Balance Sheet as at 31 December 2008 and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of the significant accounting policies and other explanatory notes and the Committee of Management Statement.

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

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

*Auditor's Responsibility*

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

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

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

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



**INDEPENDENT AUDIT REPORT TO THE MEMBERS  
OF THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION - MINING & ENERGY  
DIVISION**  
(Continued)


**AUDIT OPINION**


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

(a) The Workplace Relations Act 1996, including:

- (i) Giving a true and fair value of the Union's financial position as at 31 December 2008 and of its performance for the year ended on that date; and
- (ii) Complying with Accounting Standards in Australia and other mandatory professional reporting requirements.

(b) The requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Act.

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

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

Dated this 3<sup>rd</sup> day of March 2009.

Liability limited by a scheme approved under Professional Standards Legislation.

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

	NOTES	2008 \$	2007 \$
Revenue	3	9,826,314	9,040,851
Other Income	3	11,426,688	1,919,934
<b>TOTAL REVENUES</b>		<u>21,253,002</u>	<u>10,960,785</u>
 <b>EXPENSES</b>			
Employee Benefits and On-Costs Expense		3,831,003	3,621,692
Depreciation and Amortisation Expense		161,271	182,022
Legal Campaign Fund Expenses		230,899	245,131
Recruitment & Training Expenses		231,631	409,125
Advertising Expenses		149,600	926,602
Donations		75,136	1,465,318
Operating Expenditure		2,765,394	1,837,651
Loss on Sale of Property, Plant and Equipment		37,639	22,386
Write down of Investments		-	100,000
		<u>7,482,573</u>	<u>8,809,927</u>
 <b>PROFIT ATTRIBUTABLE TO MEMBERS</b>		<u>13,770,429</u>	<u>2,150,858</u>

The accompanying notes form part of these financial statements

**BALANCE SHEET  
AS AT 31 DECEMBER 2008**

	NOTES	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	5	480,523	739,981
Trade and Other Receivables	6	7,772,145	5,166,732
Financial Assets	8	21,367,270	13,343,405
Other Current Assets		144,012	246,691
<b>TOTAL CURRENT ASSETS</b>		<u>29,763,950</u>	<u>19,496,809</u>
<b>NON-CURRENT ASSETS</b>			
Investments Accounted for Using the Equity Method	7	7,053,668	3,610,900
Property, Plant and Equipment	9	2,281,966	2,221,165
<b>TOTAL NON-CURRENT ASSETS</b>		<u>9,335,634</u>	<u>5,832,065</u>
<b>TOTAL ASSETS</b>		<u>39,099,584</u>	<u>25,328,874</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	10	987,929	563,650
Short-term Provisions	11	1,273,841	1,325,372
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,261,770</u>	<u>1,889,022</u>
<b>TOTAL LIABILITIES</b>		<u>2,261,770</u>	<u>1,889,022</u>
<b>NET ASSETS</b>		<u>36,837,814</u>	<u>23,439,852</u>
<b>ACCUMULATED FUNDS</b>			
Retained Earnings		37,272,374	23,501,945
Reserves		(434,560)	(62,093)
<b>MEMBERS' FUNDS</b>		<u>36,837,814</u>	<u>23,439,852</u>

The accompanying notes form part of these financial statements

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

	Retained Earnings \$	Financial Assets Reserve \$	TOTAL \$
Balance as at 1 January 2007	21,351,087	2,744	21,353,831
Profit Attributable to Members	2,150,858	-	2,150,858
Net decrease in value of Available for Sale Financial Assets	-	(64,837)	(64,837)
<b>Balance as at 31 December 2007</b>	<b>23,501,945</b>	<b>(62,093)</b>	<b>23,439,852</b>
Profit Attributable to Members	13,770,429	-	13,770,429
Net decrease in value of Available for Sale Financial Assets	-	(372,467)	(372,467)
<b>Balance as at 31 December 2008</b>	<b>37,272,374</b>	<b>(434,560)</b>	<b>36,837,814</b>

The accompanying notes form part of these financial statements

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

	NOTES	2008 \$	2007 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Members		5,625,820	5,102,584
Receipts from Grants		-	338,600
Receipts from Interest and Investment Income		1,165,209	1,026,822
Receipts from Dividends		2,215	2,220
Receipts from Rents		14,067	14,990
Balance of Income Received		2,053,561	2,070,876
Joint Venture Distribution		6,242,717	1,459,045
Transfer to Employee Entitlement Trust		(5,706)	(269,573)
Payments to Suppliers and Employees		(6,750,636)	(8,272,230)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	12	<u>8,347,247</u>	<u>1,473,334</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(380,066)	(192,844)
Proceeds from Sale of Property, Plant and Equipment		121,624	718,477
Purchase of Assets Available for Sale		-	(100,000)
Proceeds from Sale of Assets Available for Sale		63,830	-
Purchase of Investments		(8,412,093)	(2,126,326)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(8,606,705)</u>	<u>(1,700,693)</u>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		(259,458)	(227,359)
<b>CASH AT THE START OF THE FINANCIAL YEAR</b>		<u>739,981</u>	<u>967,340</u>
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	5	<u>480,523</u>	<u>739,981</u>

The accompanying notes form part of these financial statements

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

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report covers the Construction, Forestry, Mining and Energy Union – Mining & Energy Division (the "Union") as an individual entity. This organisation is registered under the Workplace Relations Act 1996 (the "Act") and domiciled in Australia. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union is not subject to the Corporations Act 2001.

**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 or Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act, 1996.

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.

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.

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

**Accounting Policies**

(a) PROPERTY, PLANT AND EQUIPMENT

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

**Property, Plant and Equipment**

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

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

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

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

1. STATEMENT OF ACCOUNTING POLICIES

continued

(a) PROPERTY, PLANT & EQUIPMENT  
CONTINUED

**Depreciation**

The depreciation amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Union. The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
	%
Buildings	2.5 to 20.0
Furniture Fittings & Equipment	5.0 to 40.0
Motor Vehicles	22.5

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

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

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

(b) EMPLOYEE BENEFITS

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. 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, inclusive of related on-costs.

(c) INCOME TAX

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

(d) COMPARATIVE FIGURES

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

(e) 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.

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

**1. STATEMENT OF ACCOUNTING POLICIES**

*continued*

(f) INVENTORIES

Inventory comprises saleable promotional items and is valued at cost price being the lower of cost and net realisable value.

(g) FINANCIAL INSTRUMENTS

**Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction 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 AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and 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.

**Held-to-Maturity Investments**

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

**Available-for-Sale Financial Assets**

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

**Financial Liabilities**

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

**Impairment**

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



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

**1. STATEMENT OF ACCOUNTING POLICIES**

Continued

(h) IMPAIRMENT OF ASSETS

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

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

(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 membership contributions are recognised on an accruals basis.

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

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).

(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 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.

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

### 1. STATEMENT OF ACCOUNTING POLICIES

continued

(l) LEASES

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.

(m) GRANTS

The Union receives grant funding from various sources for varying purposes. Grants are recognised at fair value where there are reasonable assurances that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Where grant projects have an operating period that differs from the financial year-end, amounts are carried forward in the Balance Sheet.

(n) INTEREST IN JOINT VENTURES

The Union's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the financial statements. Details of the Union's interest are shown at Note 7.

The Union's interest in joint venture entities are brought to account using the equity method of accounting in the financial statements.

(o) LEASES

Leased assets are depreciated on a straight line basis over the shorter of their estimated 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.

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

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

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

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

	NOTES	2008 \$	2007 \$
<b>3. REVENUE</b>			
<i>Operating Revenue</i>			
Administration Fees		49,863	20,717
Contributions		5,594,420	5,242,184
ACTU Campaign Levy		28,903	345,977
Trust Distribution Received		1,933,002	1,421,823
Interest Received		1,495,078	962,116
Grants Received		-	338,600
Rents Received		14,067	14,990
Refunds/Reimbursements		5,775	59,334
Income other than listed above		705,206	635,110
		<u>9,826,314</u>	<u>9,040,851</u>
<i>Other Revenue</i>			
Joint Venture Distribution		11,377,350	1,617,738
Gain on Disposal of Property, Plant & Equipment		49,338	302,196
		<u>11,426,688</u>	<u>1,919,934</u>
<b>TOTAL REVENUE</b>		<u>21,253,002</u>	<u>10,960,785</u>
<b>4. PROFIT FOR THE YEAR</b>			
<b>(a) Expenses</b>			
Depreciation of Non-Current Assets			
Buildings		48,913	46,378
Plant & Equipment		112,358	135,644
Total Depreciation	9	<u>161,271</u>	<u>182,022</u>
Movements In Employee Entitlements		(34,599)	435,056
Loss on Disposal of Property, Plant & Equipment		37,639	22,386
Remuneration of Auditor			
- Auditing the Financial Report		22,560	23,020
- Accounting & Taxation Services		5,035	4,827
		<u>27,595</u>	<u>27,847</u>
<b>(b) Significant Revenue and Expenses</b>			
The following significant revenue and expense items are relevant in explaining the financial performance:			
Joint Venture Distribution		<u>11,377,350</u>	<u>1,617,738</u>
Donations Expenses		<u>75,136</u>	<u>1,465,318</u>
Advertising and Media Consultancy		<u>149,600</u>	<u>926,602</u>

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

	2008	2007
	\$	\$
<b>5. CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	746	754
Cash at Bank	479,777	739,227
	<u>480,523</u>	<u>739,981</u>
<b>6. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Contributions Receivable	861,586	892,986
Other Receivables	2,685,438	1,740,490
Loan Receivable – Ableshore (i)	4,225,121	2,533,256
	<u>7,772,145</u>	<u>5,166,732</u>

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

*Amounts Relating to:-*

CFMEU – National Office	-	-
CFMEU – Construction & General Division	-	-
CFMEU – Mining & Energy Division: -		
• Queensland District	260,851	221,778
• Northern District	173,457	160,558
• South Western District	280,064	433,120
• NSW Energy District	98,712	50,860
• Victorian District	55,000	13,000
• South Australian District	5,000	5,200
• Western Australian District	35,000	60,198
• Tasmanian District	7,786	7,786
	<u>915,870</u>	<u>952,500</u>

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

	2008 \$	2007 \$
<b>7. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>		
<i>Carrying amount of investment in joint venture entity:</i>		
Balance at beginning of financial year	3,610,900	3,911,616
Share of joint ventures profit after income tax	11,377,350	1,617,738
Distributions received	(7,934,582)	(1,918,454)
Balance at the end of the financial year (a)	<u>7,053,668</u>	<u>3,610,900</u>

(a) The Union has a 5% interest in the United Collieries Joint Venture, whose principle activity is, exploration, mining and sale of coal. The equity method has been used to account for the Union's interest in this joint venture. Refer note 19 for Joint Agreement detail.

The following table illustrates summarised financial information relating to the Union's interest in Joint Venture:

*Share of the Joint Venture's Balance Sheet*

Total Assets	9,543,413	5,637,575
Total Liabilities	2,489,745	2,026,675
Net Assets	<u>7,053,668</u>	<u>3,610,900</u>

*Share of the Joint Venture's Results*

Revenue	19,956,454	11,140,929
Profit after Income Tax	<u>11,377,350</u>	<u>1,617,738</u>

**8. FINANCIAL ASSETS**

Held to Maturity Financial Assets (a)	20,531,764	11,806,650
Available for Sale Financial Assets (b)	835,506	1,536,755
	<u>21,367,270</u>	<u>13,343,405</u>

(a) *Held-to-maturity Financial Assets Comprise:*

Term Deposits and Bank Bills held with Financial Institutions.	20,531,764	11,806,650
----------------------------------------------------------------	------------	------------

(b) *Available for Sale Financial Assets Comprise:*

Shares in Listed Corporations – at Fair Value	39,314	94,620
Shares in Unlisted Corporations – at Fair Value	10	10
Investments in Unlisted Investment Trusts	796,182	1,442,125
	<u>835,506</u>	<u>1,536,755</u>

Available-for-sale financial assets comprise investments in the ordinary share capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

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

	2008 \$	2007 \$
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>LAND &amp; BUILDINGS</b>		
Land At Cost	49,000	-
Buildings At Cost	1,997,110	1,845,669
Accumulated Depreciation	(130,445)	(81,531)
	<u>1,866,665</u>	<u>1,764,138</u>
<b>TOTAL LAND &amp; BUILDINGS</b>	<u>1,915,665</u>	<u>1,764,138</u>
<b>PLANT &amp; EQUIPMENT</b>		
<b>FURNITURE, FITTINGS AND EQUIPMENT</b>		
At Cost	466,626	465,819
Accumulated Depreciation	(356,483)	(329,523)
	<u>110,143</u>	<u>136,296</u>
<b>MOTOR VEHICLES</b>		
At Cost	329,182	376,175
Accumulated Depreciation	(73,024)	(55,444)
	<u>256,158</u>	<u>320,731</u>
<b>TOTAL PLANT &amp; EQUIPMENT</b>	<u>366,301</u>	<u>457,027</u>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<u>2,281,966</u>	<u>2,221,165</u>

**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
Balance at Start of Year	1,764,138	136,296	320,731	2,221,165
Additions	200,440	31,423	148,202	380,065
Disposals – Assets	-	(3,558)	(154,435)	(157,993)
Amort/Depreciation Expense	(48,913)	(54,018)	(58,340)	(161,271)
Balance at End of Year	<u>1,915,665</u>	<u>110,143</u>	<u>256,158</u>	<u>2,281,966</u>

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

	2008 \$	2007 \$
<b>10. TRADE AND OTHER PAYABLES</b>		
Creditors and Accruals	761,347	440,084
Tax Payable (GST)	226,582	123,566
	<u>987,929</u>	<u>563,650</u>
<i>Amounts Relating to:-</i>		
CFMEU – National Office	-	-
CFMEU – Mining & Energy Division: -		
• Queensland District	1,000	1,000
• Northern District	209,289	13,270
• South Western District	-	-
• NSW Energy District	12,100	19,238
• Western Australian District	-	-
	<u>222,389</u>	<u>33,508</u>

**11. PROVISIONS**

	PROVISION FOR ANNUAL LEAVE \$	PROVISION FOR LSL \$	OTHER EMPLOYEE ENTITLEMENTS \$	TOTAL \$
Opening balance at 1 January 2008	494,951	315,957	514,464	1,325,372
Additional provisions	345,170	250,686	95,592	691,448
Amounts used	(382,925)	(188,380)	(171,674)	(742,979)
Balance at 31 December 2008	<u>457,196</u>	<u>378,263</u>	<u>438,382</u>	<u>1,273,841</u>

**(a) Analysis of ageing of provisions**

Current	<u>1,273,841</u>	<u>1,325,372</u>
---------	------------------	------------------

**(b) Number of Employees at Balance Date**

• National Executives and staff	22	24
• District Executives (National LSL Fund)	29	29

**(c) Total Employee Benefits Attributable to:**

• Office holders	419,051	540,779
• District Executives (National LSL Fund)	-	-
• Staff	854,790	784,593
	<u>1,273,841</u>	<u>1,325,372</u>

**(d) Right of Indemnity**

During the 2006 year, the 'LSL Fund(s)' previously administered directly by the Union has been settled onto 'The CFMEU Mining & Energy Entitlement Trust. Any on-going long service leave entitlements and obligations of the National Officials will be settled directly from the Trust. Accordingly the provision for long service leave, as it relates to National Officials, is reduced by the fair value of trust assets available and set aside to settle those entitlements.

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

	2008 \$	2007 \$
<b>12. CASH FLOW INFORMATION</b>		
<b>RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH OPERATING RESULT</b>		
Net Operating Result	13,770,429	2,150,858
<b>Non Cash Flows in Net Result</b>		
• Depreciation	161,271	182,022
• Joint Venture Distribution	(5,134,633)	(158,693)
• Write down of Investments	-	100,000
• Loss/(Gain) on Disposal of Property, Plant and Equipment	(11,700)	(279,809)
<b>Changes in Assets and Liabilities</b>		
Decrease / (Increase) in Contributions Receivable	31,400	(139,600)
(Increase) in Receivables	(944,948)	(402,713)
Decrease / (Increase) in Prepayments	102,679	(217,892)
Decrease in Inventories	-	29,618
Increase / (Decrease) in Accounts Payable	424,279	45,059
(Decrease) / Increase in Provisions	(51,530)	164,484
<b>CASH FLOWS FROM OPERATIONS</b>	<b>8,347,247</b>	<b>1,473,334</b>
 (i) Net cash flows relating to another reporting unit of the organisation are as follows:		
CFMEU – Mining & Energy Division: -		
• Queensland District	2,579,848	2,331,493
• Northern District	1,931,697	1,861,426
• South Western District	778,778	577,034
• NSW Energy District	111,814	211,825
• Victorian District	208,786	233,588
• South Australian District	10,360	7,874
• Tasmanian District	12,913	(11,892)
• Western Australian District	192,342	132,192
	<b>5,826,538</b>	<b>5,343,540</b>



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

**13. CONTINGENT LIABILITIES**

There are no contingent liabilities as at 31 December 2008 and there are no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, or the results of those operations.

**14. CAPITAL & LEASING COMMITMENTS**

**(a) Operating Lease Commitments**

	2008 \$	2007 \$
Non-cancellable operating leases contracted for but not capitalised in financial statements:		
Payable – Minimum lease payments		
Not later than 12 months	188,262	179,206
Between 12 months & 5 years	811,056	791,430
Greater than 5 years.	273,070	502,022
	<u>1,272,388</u>	<u>1,472,658</u>

An operating lease commitment exists in respect of the sub-lease of floor area within premises situated at Sussex Street, Sydney and in respect of certain residential housing supplied for organisers in remote locations throughout Australia. An operating commitment is also in place with Canon Finance Australia, for 2 photocopiers situated at Sussex St Sydney.

**15. RELATED PARTY INFORMATION**

**(a) MEMBERS OF THE CENTRAL COUNCIL.**

Persons holding positions within the Union and as members of the Central Council during the year:

**NATIONAL OFFICIALS**

- Mr T Maher (General President)
- Mr P Murray (General Secretary – resigned 19/12/08)
- Mr A Vickers (General Vice President)

**CENTRAL COUNCIL**

- Mr A Drew (NSW Energy President)
- Mr G Betts (Queensland President)
- Mr I Murray (Northern President)
- Mr W McAndrew (NSW South Western President)
- Mr G Wood (West Australian Secretary)
- Mr C Hinds (Tasmanian President)
- Mr L Van Der Meulen (Victorian President)
- Mr R Whittaker (Central Councillor North)
- Mr D Power (Central Councillor North – to 30/6/08)
- Mr F Baker (Central Councillor QLD)
- Mr C Brodsky (Central Councillor QLD)
- Mr A Honeysett (Central Councillor South Western)
- Mr R Smith (Central Councillor North – to 30/6/08)
- Mr A Curtis (Central Councillor QLD – to 30/6/08)
- Mr S Bruncker (Central Councillor QLD)
- Mr R Trappel (Central Councillor North – since 1/7/08)
- Mr T Hardy (Central Councillor North – since 1/7/08)

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

**15. RELATED PARTY INFORMATION**  
*continued*

**(b) RELATED PARTY TRANSACTIONS**

**Other related parties**

- i) Office space was rented to the CFMEU – Mining and Energy Division, New South Wales Energy District during the year. Commercial rent totalling \$12,000 (2007: \$12,000) was charged by the Union.
- ii) Sustentation fees totalling \$149,678 (2007: \$136,710) were charged by the Construction, Forestry, Mining and Energy Union during the year.
- iii) Sustentation fees were charged to the following Districts during the year:-

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Queensland	2,306,351	2,099,218
Northern	1,872,572	1,800,659
South Western	796,218	770,796
NSW Energy	177,137	173,270
Western Australia	169,305	140,345
Victorian	235,286	220,060
Tasmanian	28,314	28,314
South Australia	9,237	9,522
	<u>5,594,420</u>	<u>5,242,184</u>

**(c) RELATED PARTY BALANCES**

**Associated companies**

- i) As at balance date there was a loan of \$4,225,121 advanced to Abelshore Pty Limited (2007: \$2,533,256).

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

**16. KEY MANAGEMENT PERSONNEL REMUNERATION**

	2008	2007
	\$	\$
Total Compensation		
- Short Term Benefits	983,688	693,311
- Post Employment Benefits	46,730	44,553
- Long Term Benefits	16,232	14,989
	<u>1,046,650</u>	<u>752,853</u>

**17. ORGANISATION DETAILS**

The Union is a Trade Union registered and domiciled in Australia. The registered office and principle place of business of the Union is: Level One, 365 Sussex Street, Sydney NSW 2000.

**18. 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 3<sup>rd</sup> day of March 2009 by the Central Council.

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

**19. JOINT VENTURE AGREEMENT**

In accordance with the terms of a joint venture agreement dated 27 May 1991 the Division has acquired land, the cost of which totalled \$1,516,294. This amount has been provided by the other party to the agreement.

The land is provided by the Division to the joint venture, free of charge, for the purpose of coal mining operations. The Joint Venture Agreement provided that certain royalties are payable to the Division in respect of such operations. These royalties are paid to the Mineworker's Trust, (a trust formed to directly or indirectly benefit Mineworker's, their families or dependants). Subject to the retention by the Division of 20% thereof as reimbursement of expenses incurred by the Division.

The Joint Venture and the operation of a related loan account are governed by a series of agreements covering the operations of the joint venture, sales of coal and the operation of a 'Called Sums' loan account.

The economic prosperity of the coal industry, repayment of the previous liability related loan from past performance, and benefits from past capital investments has seen the joint venture providing a cash return to the Division representing its share of 2008 year profits in the amount of \$11,377,350.

The 'value' recognised for the Division's interest in the joint venture includes the interest in Mount Thorely Coal Loading Limited, and Newcastle Coal Shippers Pty Limited. These shares are not separately included in the Financial Report.

At the date of this Report, the value of land is uncertain arising from undeterminable future economic benefit arising from a sale or use of land at the conclusion of the venture. The land is used in the operation of the joint venture, the life of which is not certain, is located in a mining region, and will require restoration. Due to these uncertainties regarding the land and its value, the Division has thought it prudent not to formally recognise a value in the balance sheet.

At 31 December 2008, the Division has a loan amount receivable from the joint venture of \$4,225,121 (2007: \$2,533,256). Under the terms of the joint venture agreement this loan, which was previously a payable amount by the Division, was only repayable under certain conditions. Accordingly this loan in previous years was not included in the Financial Report. As the capital costs that created this loan (upon inception of the joint venture) have now been repaid in full, the Division is entitled to receive distribution payments of their share of joint venture profits and therefore the loan receivable has been formally recognised. [see Note 6 to financial statements]

Under the terms of the joint venture arrangement, the balance of this receivable to the Division may be called upon at any time. The joint venture will be required to undertake substantial environmental restoration costs upon completion of mining activities. Accordingly it is the Executives decision to retain a responsible level of cash within the joint venture to fund the Divisions share of these future restoration costs.

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

**20. FINANCIAL RISK MANAGEMENT**

**(a) Financial Risk Management Policies**

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

The 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.

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

***Financial Risk Exposures and Management***

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

**i. Interest rate risk**

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

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

**ii. Liquidity risk**

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

**iii. Credit risk**

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

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

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

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

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

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

20. FINANCIAL RISK MANAGEMENT *continued*

(b) Financial Instruments Composition and Maturity Analysis

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

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATES %	FLOATING INTEREST RATE \$	FIXED INTEREST RATE MATURING		NON INTEREST BEARING \$	TOTAL \$
			WITHIN 1 YEAR \$	BETWEEN 1 & 5 YEARS \$		
<b>(I) 31 DECEMBER 2008</b>						
<b>Financial Assets</b>						
Cash & Cash Equivalents	6.87	3,939,707	17,071,834	-	746	21,012,287
Other Financial Assets	6.04	796,182	-	-	7,092,992	7,889,174
Trade & Other Receivables	-	-	-	-	7,772,145	7,772,145
<b>Total Financial Assets</b>		<b>4,735,889</b>	<b>17,071,834</b>	<b>-</b>	<b>14,865,883</b>	<b>36,673,606</b>
<b>Financial Liabilities</b>						
Trade & Other Creditors	-	-	-	-	987,929	987,929
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>987,929</b>	<b>987,929</b>
<b>(II) 31 DECEMBER 2007</b>						
	%	\$	\$	\$	\$	\$
<b>Financial Assets</b>						
Cash & Cash Equivalents	6.04	2,548,566	9,997,312	-	753	12,546,631
Other Financial Assets	7.90	1,442,125	-	-	3,705,529	5,147,654
Trade & Other Receivables	-	-	-	-	5,166,732	5,166,732
<b>Total Financial Assets</b>		<b>3,990,691</b>	<b>9,997,312</b>	<b>-</b>	<b>8,873,014</b>	<b>22,861,017</b>
<b>Financial Liabilities</b>						
Trade & Other Creditors	-	-	-	-	563,650	563,650
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>563,650</b>	<b>563,650</b>

(c) Net Fair Values

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

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

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

**20. FINANCIAL RISK MANAGEMENT** *continued*

**Sensitivity analysis**

*(i) Interest rate risk*

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

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

	2008 \$	2007 \$
<b>Change in profit</b>		
— Increase in interest rate by 1%	203,021	147,620
— Decrease in interest rate by 1%	(203,021)	(147,620)
<b>Change in equity</b>		
— Increase in interest rate by 1%	203,021	147,620
— Decrease in interest rate by 1%	(203,021)	(147,620)

**21. CAPITAL MANAGEMENT**

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

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

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

	2008 \$	2007 \$
Financial liabilities	-	-
Trade and other payables	987,929	563,650
Total	987,929	563,650
Less: Cash and cash equivalents	480,523	739,981
Current Financial Assets Held-to-Maturity	20,531,764	13,343,405
Net debt	-	-
Total equity	36,837,814	23,439,852
<b>Total capital</b>	<b>36,837,814</b>	<b>23,439,852</b>
Gearing ratio	0%	0%

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

**22. ADDITIONAL DISCLOSURES REQUIRED UNDER THE RAO SCHEDULE**

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

	2008 \$	2007 \$
<b>PROFIT &amp; LOSS DISCLOSURES</b>		
<b>i) ITEMS OF REVENUE</b>		
ACTU Campaign Levy	28,903	345,977
Donations or Grants Income	-	338,600
<b>ii) ITEMS OF EXPENSE</b>		
Compulsory levies imposed on the Union	149,678	136,710
Affiliation fees/subscriptions to organisations with an interest in industrial matters.	4,038	8,179
<i>Donations or Grant Expenses.</i>		
• Donations (greater than \$1,000)	72,000	1,463,218
• General Donations (individually less than \$1,000)	3,136	2,100
	75,136	1,465,318
<i>Employee Benefits Expense:</i>		
- Office Holders	1,181,092	646,357
- Employees (Other than Office Holders)	2,186,860	2,204,936
	3,367,952	2,851,293
<i>Conference &amp; Meeting Expenses:</i>		
Expenses incurred in connection with meetings of members, councils, committees, panels to other bodies for which the Union was wholly or partly responsible.	144,847	98,785
Conference Expenses – National Convention	-	560,294
	144,847	659,079
Attendance Fees/Allowances – Conferences & Meetings	125,550	55,928



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

22. ADDITIONAL DISCLOSURES REQUIRED UNDER THE RAO SCHEDULE

continued

	2008	2007
	\$	\$
<i>Schedule of Campaign Expenses:</i>		
Award Modernisation	41,750	-
AWU	99,270	5,101
Bengalla Coal	2,445	-
BHP	-	3,070
Coal & Allied	-	3,495
Delta Coal	-	3,439
Dyno Nobel	-	6,270
Endeavour Coal	1,350	37,950
General Expenditures	6,690	8,811
John Holland Mining	17,745	-
NLC	2,625	-
PKCT	75,914	53,438
Programmed Maintenance Services	-	14,000
Rights on Site Campaign	500,000	-
Shell Refineries	4,330	-
Superannuation Campaign	3,750	15,715
Occupational Health & Safety Campaign	40,901	88,451
Tasmanian Coronial Inquest	2,025	14,396
IR and Long Service Leave Campaign	-	-
Ulan Coal	6,142	509
United Collieries	-	3,223
TOTAL	804,937	257,868



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

13 January 2009

Mr Peter Murray  
General Secretary, Mining and Energy Division  
Construction, Forestry, Mining and Energy Union  
1<sup>st</sup> Floor, 365 Sussex Street  
SYDNEY NSW 2000

Dear Mr Murray



**Lodgement of Financial Statements and Accounts – Mining and Energy Division -  
Schedule 1 of *Workplace Relations Act 1996* (RAO Schedule) -  
for year ended 31 December 2008 (FR2008/576)**

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

I direct your attention to our website <http://www.airc.gov.au/registered/FR/information.htm> where relevant detailed information may be found. This includes Fact sheets (Sheet 6 – *Accounting, Auditing and Reporting Obligations*; Sheet 7 – *Information Needs of Members*; Sheet 8 – *Financial Reporting Process and Time Limits*; Sheet 9 – *Diagrammatic Summary of Financial Reporting Process and Time Limits*; and Sheet 10 – *Auditors*), Sample Documents (a sample Committee of Management Statement and Designated Officer's Certificate); the RAO Schedule and RAO Regulations; and Registrar's Reporting Guidelines (setting out requirements that must be met in addition to those required by Australian Accounting Standards)

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

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

If you need any further information or assistance or if you do not believe that the documents will be lodged within the timeframe specified please contact me on 0429 462 979 or by email at [stephen.kellett@airc.gov.au](mailto:stephen.kellett@airc.gov.au).

Yours sincerely,

Stephen Kellett  
Statutory Services Branch