



FAIR WORK
AUSTRALIA

7 June 2010

Mr Mark Watson
Finance Manager, Mining and Energy Division
Construction, Forestry, Mining and Energy Union
PO Box Q1641
SYDNEY NSW 1230



Dear Mr Watson

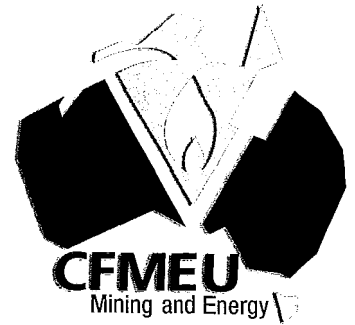
**Lodgment of Financial Accounts and Statements - Construction, Forestry, Mining and
Energy Union, Mining and Energy Division (FR2009/10252)**

Thank you for lodging the abovementioned financial accounts and statements which were received by Fair Work Australia on 3 June 2010.

The documents have been filed.

Yours sincerely,

Stephen Kellett
Statutory Services Branch
Fair Work Australia



1 June 2010

Stephen Kellett
Fair Work Australia
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 2009.

Also attached is the annual statement of donations for 2009.

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



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**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 the Fair Work (Registered Organisations) Act 2009; and
- That the full report, was provided to members on 7 April 2010, 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 26 May 2010; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.



**Andrew Vickers
General Secretary**

1 June 2010

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

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

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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 2009.

Committee of Management

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

Name	Position	Period of Appointment
Mr T Maher	General President	1/01/2009 to 31/12/2009
Mr A Vickers	General Secretary	1/01/2009 to 31/12/2009
Mr I Murray	General Vice President	30/09/2009 to 31/12/2009
Mr W McAndrew	General Vice President	19/10/2009 to 31/12/2009
Mr A Drew	Central Councillor	1/01/2009 to 31/12/2009
Mr G Betts	Central Councillor	1/01/2009 to 09/10/2009
Mr W McAndrew	Central Councillor	1/01/2009 to 18/10/2009
Mr C Hinds	Central Councillor	1/01/2009 to 31/12/2009
Mr L Van der Meulen	Central Councillor	1/01/2009 to 31/12/2009
Mr R Whittaker	Central Councillor	1/01/2009 to 31/12/2009
Mr A Honeysett	Central Councillor	1/01/2009 to 31/12/2009
Mr G Wood	Central Councillor	1/01/2009 to 31/12/2009
Mr F Baker	Central Councillor	1/01/2009 to 31/12/2009
Mr I Murray	Central Councillor	1/01/2009 to 29/09/2009
Mr S Bruncker	Central Councillor	1/01/2009 to 31/12/2009
Mr T Hardy	Central Councillor	1/01/2009 to 31/12/2009
Mr R Trappell	Central Councillor	1/01/2009 to 31/12/2009
Mr C Brodsky	Central Councillor	1/01/2009 to 31/12/2009
Mr S Smyth	Central Councillor	30/10/2009 to 31/12/2009
Mr P Jordan	Central Councillor	30/10/2009 to 31/12/2009

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 \$9,737,084 (2008: profit of \$13,770,429). Membership contributions in the current year amounted to \$5,885,649 being a \$291,229 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 21,334 members of the Union as at 31 December 2009 (2008: 20,873).

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 2009 the Union employed 23 full time employees (2008: 22).

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 23rd day of March 2010.

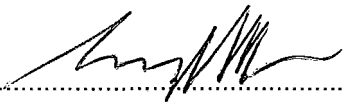
COMMITTEE OF MANAGEMENT STATEMENT

On 23rd March 2010, 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 2009:

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 General Manager of FWA;
- 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 Fair Work (Registered Organisations) Act 2009 and the RAO Regulations 2009; 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 Fair Work (Registered Organisations) Act 2009; and
 - (vi) No orders have been made by Fair Work Australia or FWA in regard to inspection of financial records under section 273 of the Fair Work (Registered Organisations) Act 2009.

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


.....
Tony Maher


.....
Andrew Vickers

Dated this 23rd day of March 2010.

**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 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 Schedule 1 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.

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 Fair Work (Registered Organisations) Act 2009 ("the RO Act"), 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 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 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 23rd day of March 2010.

Liability limited by a scheme approved under Professional Standards Legislation.

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

	NOTES	2009 \$	2008 \$
Revenue	3	9,706,226	9,826,314
Share of Net Profit of Joint Venture	3	8,176,040	11,426,688
Employee Benefits and On-Costs Expense		(3,981,667)	(3,831,003)
Depreciation and Amortisation Expense		(175,371)	(161,271)
Legal Campaign Fund Expenses		(350,741)	(230,899)
Advertising Expenses		(162,033)	(149,600)
Donations		(278,173)	(75,136)
Operating Expenditure		(2,679,913)	(2,997,025)
Loss on Sale of Property, Plant and Equipment		(30,885)	(37,639)
Impairment of Interest in Joint Venture		(486,399)	-
Profit for the year		<u>9,737,084</u>	<u>13,770,429</u>
Other Comprehensive Income			
Net Gain/(Loss) on Revaluation of Financial Assets		(181,198)	(372,467)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>9,555,886</u>	<u>13,397,962</u>
Income Tax Expense	1(c)	-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS		<u>9,555,886</u>	<u>13,397,962</u>

The accompanying notes form part of these financial statements

**BALANCE SHEET
AS AT 31 DECEMBER 2009**

	NOTES	2009 \$	2008 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5	376,687	480,523
Trade and Other Receivables	6	6,046,522	7,772,145
Financial Assets	8	39,740,224	21,367,270
Other Current Assets		153,472	144,012
TOTAL CURRENT ASSETS		<u>46,316,905</u>	<u>29,763,950</u>
NON-CURRENT ASSETS			
Investments Accounted for Using the Equity Method	7	-	7,053,668
Property, Plant and Equipment	9	3,388,313	2,281,966
TOTAL NON-CURRENT ASSETS		<u>3,388,313</u>	<u>9,335,634</u>
TOTAL ASSETS		<u>49,705,218</u>	<u>39,099,584</u>
CURRENT LIABILITIES			
Trade and Other Payables	10	1,309,804	987,929
Short-term Provisions	11	2,001,714	1,273,841
TOTAL CURRENT LIABILITIES		<u>3,311,518</u>	<u>2,261,770</u>
TOTAL LIABILITIES		<u>3,311,518</u>	<u>2,261,770</u>
NET ASSETS		<u>46,393,700</u>	<u>36,837,814</u>
ACCUMULATED FUNDS			
Retained Earnings		47,009,458	37,272,374
Reserves		(615,758)	(434,560)
MEMBERS' FUNDS		<u>46,393,700</u>	<u>36,837,814</u>

The accompanying notes form part of these financial statements

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

	Retained Earnings	Financial Assets Reserve	TOTAL
	\$	\$	\$
Balance as at 1 January 2008	23,501,945	(62,093)	23,439,852
Profit Attributable to Members	13,770,429	-	13,770,429
Net decrease in value of Available for Sale Financial Assets	-	(372,467)	(372,467)
Balance as at 31 December 2008	37,272,374	(434,560)	36,837,814
Profit Attributable to Members	9,737,084	-	9,737,084
Net decrease in value of Available for Sale Financial Assets	-	(181,198)	(181,198)
Balance as at 31 December 2009	47,009,458	(615,758)	46,393,700

The accompanying notes form part of these financial statements

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

	NOTES	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		5,630,613	5,625,820
Receipts from Grants		115,182	-
Receipts from Interest and Investment Income		1,862,157	1,165,209
Receipts from Dividends		3,224	2,215
Receipts from Rents		20,907	14,067
Balance of Income Received		2,453,047	2,053,561
Joint Venture Distribution		16,470,972	6,242,717
Transfer to Employee Entitlement Trust		(212,191)	(5,706)
Payments to Suppliers and Employees		(7,360,844)	(6,750,636)
CASH FLOW PROVIDED BY OPERATING ACTIVITIES	12	<u>18,983,067</u>	<u>8,347,247</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(626,387)	(380,066)
Proceeds from Sale of Property, Plant and Equipment		93,637	121,624
Purchase of Assets Available for Sale		-	-
Proceeds from Sale of Assets Available for Sale		-	63,830
Purchase of Investments		(18,554,153)	(8,412,093)
NET CASH USED IN INVESTING ACTIVITIES		<u>(19,086,903)</u>	<u>(8,606,705)</u>
NET INCREASE / (DECREASE) IN CASH HELD		(103,836)	(259,458)
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		<u>480,523</u>	<u>739,981</u>
CASH AT THE END OF THE FINANCIAL YEAR	5	<u>376,687</u>	<u>480,523</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 – Mining & Energy Division (the "Union") as an individual entity. This organisation is registered under the Fair Work (Registered Organisations) Act 2009 (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 of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act, 2009.

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.

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 Board 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.

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

1. STATEMENT OF ACCOUNTING POLICIES

continued

(a) PROPERTY, PLANT & EQUIPMENT
CONTINUED

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.

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 2009

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 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 the Statement of Comprehensive Income. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to the Statement of Comprehensive Income immediately. Financial instruments are classified and measured as set out below.

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.

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

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 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.

(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 2009

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.

(p) COMPARATIVE 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 – Mining and Energy Division.

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.

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

1. STATEMENT OF ACCOUNTING POLICIES

continued

(p) COMPARATIVE ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS - CONTINUED

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.

(q) 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.

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

1. STATEMENT OF ACCOUNTING POLICIES

continued

(q) NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS - CONTINUED

- 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.

2. INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER

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

- (1) A member of a Union, or the General Manager, 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 2009**

	NOTES	2009 \$	2008 \$
3. REVENUE			
<i>Operating Revenue</i>			
Administration Fees		78,608	49,863
Contributions		5,885,649	5,594,420
ACTU Campaign Levy		-	28,903
Trust Distribution Received		1,252,001	1,933,002
Interest Received		1,700,679	1,495,078
Grants Received		115,182	-
Rents Received		20,907	14,067
Refunds/Reimbursements		135	5,775
Income other than listed above		653,065	705,206
		9,706,226	9,826,314
<i>Other Revenue</i>			
Joint Venture Distribution		8,176,040	11,377,350
Gain on Disposal of Property, Plant & Equipment		-	49,338
		8,176,040	11,426,688
TOTAL REVENUE		17,882,266	21,253,002
4. PROFIT FOR THE YEAR			
(a) Expenses			
Depreciation of Non-Current Assets			
Buildings		49,927	48,913
Plant & Equipment		125,444	112,358
Total Depreciation	9	175,371	161,271
Movements In Employee Entitlements		940,063	(34,599)
Loss on Disposal of Property, Plant & Equipment		30,885	37,639
Remuneration of Auditor			
- Auditing the Financial Report		23,430	22,560
- Accounting & Taxation Services		6,938	5,035
		30,368	27,595
(b) Significant Revenue and Expenses			
The following significant revenue and expense items are relevant in explaining the financial performance:			
Joint Venture Distribution		8,176,040	11,377,350
Donations Expenses		278,173	75,136
Advertising and Media Consultancy		162,033	149,600
Impairment of Interest in Joint Venture		486,399	-

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

	2009	2008
	\$	\$
5. CASH AND CASH EQUIVALENTS		
Cash on Hand	231	746
Cash at Bank	376,456	479,777
	<u>376,687</u>	<u>480,523</u>
6. TRADE AND OTHER RECEIVABLES		
Current		
Contributions Receivable	1,116,622	861,586
Other Receivables	2,432,442	2,685,438
Loan Receivable – Ableshore (i)	2,497,458	4,225,121
	<u>6,046,522</u>	<u>7,772,145</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	296,144	260,851
• Northern District	594,392	173,457
• South Western District	297,433	280,064
• NSW Energy District	52,708	98,712
• Victorian District	22,000	55,000
• South Australian District	2,500	5,000
• Western Australian District	37,000	35,000
• Tasmanian District	7,786	7,786
	<u>1,309,963</u>	<u>915,870</u>

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

		2009 \$	2008 \$
7. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD			
<i>Carrying amount of investment in joint venture entity:</i>			
Balance at beginning of financial year		7,053,668	3,610,900
Share of joint ventures profit after income tax		8,176,040	11,377,350
Distributions received		(14,743,309)	(7,934,582)
Less: Impairment Write Down	19	(486,399)	-
Balance at the end of the financial year	(a)	<u>-</u>	<u>7,053,668</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		3,908,814	9,543,413
Total Liabilities		(3,422,415)	(2,489,745)
Impairment Write Down		(486,399)	-
Net Assets		<u>-</u>	<u>7,053,668</u>

Share of the Joint Venture's Results

Revenue		<u>19,183,875</u>	<u>19,956,454</u>
Profit after Income Tax		<u>8,176,040</u>	<u>11,377,350</u>

8. FINANCIAL ASSETS

Held to Maturity Financial Assets	(a)	39,139,659	20,531,764
Available for Sale Financial Assets	(b)	600,565	835,506
		<u>39,740,224</u>	<u>21,367,270</u>

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

Term Deposits and Bank Bills held with Financial Institutions.		<u>39,139,659</u>	<u>20,531,764</u>
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(b) **Available for Sale Financial Assets Comprise:**

Shares in Listed Corporations – at Fair Value		64,383	39,314
Shares in Unlisted Corporations – at Fair Value		10	10
Investments in Unlisted Investment Trusts		536,172	796,182
		<u>600,565</u>	<u>835,506</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 2009**

	2009	2008
	\$	\$
9. PROPERTY, PLANT AND EQUIPMENT		
LAND & BUILDINGS		
Land At Cost	49,000	49,000
Buildings At Cost	2,864,174	1,997,110
Accumulated Depreciation	(180,372)	(130,445)
	<u>2,683,802</u>	<u>1,866,665</u>
TOTAL LAND & BUILDINGS	<u>2,732,802</u>	<u>1,915,665</u>
PLANT & EQUIPMENT		
FURNITURE, FITTINGS AND EQUIPMENT		
At Cost	502,834	466,626
Accumulated Depreciation	(408,233)	(356,483)
	<u>94,601</u>	<u>110,143</u>
MOTOR VEHICLES		
At Cost	738,513	329,182
Accumulated Depreciation	(177,603)	(73,024)
	<u>560,910</u>	<u>256,158</u>
TOTAL PLANT & EQUIPMENT	<u>655,511</u>	<u>366,301</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>3,388,313</u>	<u>2,281,966</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 1 January 2008	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 31 December 2008	<u>1,915,665</u>	<u>110,143</u>	<u>256,158</u>	<u>2,281,966</u>
Additions	867,064	36,208	502,967	1,406,239
Disposals – Assets	-	-	(124,521)	(124,521)
Amort/Depreciation Expense	(49,927)	(51,750)	(73,694)	(175,371)
Balance at 31 December 2009	<u>2,732,802</u>	<u>94,601</u>	<u>560,910</u>	<u>3,388,313</u>

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

	2009 \$	2008 \$
10. TRADE AND OTHER PAYABLES		
Creditors and Accruals	1,139,864	761,347
Tax Payable (GST)	169,940	226,582
	<u>1,309,804</u>	<u>987,929</u>
<i>Amounts Relating to:-</i>		
CFMEU – National Office	-	-
CFMEU – Mining & Energy Division: -		
• Queensland District	1,000	1,000
• Northern District	16,019	209,289
• South Western District	-	-
• NSW Energy District	10,100	12,100
• Western Australian District	-	-
	<u>27,119</u>	<u>222,389</u>

11. PROVISIONS

	PROVISION FOR ANNUAL LEAVE \$	PROVISION FOR LSL \$	OTHER EMPLOYEE ENTITLEMENTS \$	TOTAL \$
Opening balance at 1 January 2009	457,196	378,263	438,382	1,273,841
Additional provisions	575,263	83,962	498,779	1,158,004
Amounts used	(267,626)	(33,392)	(129,113)	(430,131)
Balance at 31 December 2009	<u>764,833</u>	<u>428,833</u>	<u>808,048</u>	<u>2,001,714</u>

(a) Analysis of ageing of provisions

Current	<u>2,001,714</u>	<u>1,273,841</u>
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(b) Number of Employees at Balance Date

• National Executives and staff	23	22
• District Executives (National LSL Fund)	29	29

(c) Total Employee Benefits Attributable to:

• Office holders	1,001,912	419,051
• District Executives (National LSL Fund)	-	-
• Staff	999,802	854,790
	<u>2,001,714</u>	<u>1,273,841</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 2009**

	2009 \$	2008 \$
12. CASH FLOW INFORMATION		
RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH OPERATING RESULT		
Net Operating Result	9,737,084	13,770,429
Non Cash Flows in Net Result		
• Depreciation	175,371	161,271
• Joint Venture Distribution	8,781,331	(5,134,633)
• Loss/(Gain) on Disposal of Property, Plant and Equipment	30,885	(11,700)
Changes in Assets and Liabilities		
Decrease / (Increase) in Contributions Receivable	(255,036)	31,400
Decrease / (Increase) in Receivables	252,996	(944,948)
Decrease / (Increase) in Prepayments	(9,461)	102,679
Increase / (Decrease) in Accounts Payable	(457,976)	424,279
(Decrease) / Increase in Provisions	727,873	(51,530)
CASH FLOWS FROM OPERATIONS	18,983,067	8,347,247
 (i) Net cash flows relating to another reporting unit of the organisation are as follows:		
CFMEU – Mining & Energy Division: -		
• Queensland District	2,242,454	2,579,848
• Northern District	1,558,459	1,931,697
• South Western District	951,070	778,778
• NSW Energy District	204,380	111,814
• Victorian District	66,020	208,786
• South Australian District	12,502	10,360
• Tasmanian District	(13,155)	12,913
• Western Australian District	211,121	192,342
	5,232,851	5,826,538

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

13. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2009 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

	2009 \$	2008 \$
Non-cancellable operating leases contracted for but not capitalised in financial statements:		
Payable – Minimum lease payments		
Not later than 12 months	195,431	188,262
Between 12 months & 5 years	826,203	811,056
Greater than 5 years.	55,037	273,070
	<u>1,076,671</u>	<u>1,272,388</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 A Vickers (General Secretary)
- Mr I Murray (General Vice President – since 30/9/09)
- Mr W McAndrew (General Vice President – since 19/10/09)

CENTRAL COUNCIL

- Mr A Drew (NSW Energy President)
- Mr G Betts (Queensland President – to 9/10/09)
- Mr S Smyth (Queensland President – since 30/10/09)
- Mr I Murray (Northern President – to 29/9/09)
- Mr P Jordan (Northern President – since 30/10/09)
- Mr W McAndrew (NSW South Western President – to 18/10/09)
- Mr A Honeysett (NSW South Western President – since 30/11/09)
- 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 F Baker (Central Councillor QLD)
- Mr C Brodsky (Central Councillor QLD)
- Mr A Honeysett (Central Councillor South Western – to 30/11/09)
- Mr S Bruncker (Central Councillor QLD)
- Mr R Trappell (Central Councillor North)
- Mr T Hardy (Central Councillor North)

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

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 (2008: \$12,000) was charged by the Union.
- ii) Sustentation fees totalling \$170,223 (2008: \$149,678) 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:-

	2009	2008
	\$	\$
Queensland	2,327,066	2,306,351
Northern	2,066,145	1,872,572
South Western	843,646	796,218
NSW Energy	173,315	177,137
Western Australia	206,180	169,305
Victorian	231,891	235,286
Tasmanian	28,314	28,314
South Australia	9,093	9,237
	<u>5,885,650</u>	<u>5,594,420</u>

(c) RELATED PARTY BALANCES

Associated companies

- i) As at balance date there was a loan of \$2,497,458 advanced to Abelshore Pty Limited (2008: \$4,225,121).

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

16. KEY MANAGEMENT PERSONNEL COMPENSATION

	2009	2008
	\$	\$
Total Compensation		
- Short Term Benefits	673,252	983,688
- Post Employment Benefits	40,637	46,730
- Long Term Benefits	22,872	16,232
	<u>736,761</u>	<u>1,046,650</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 23rd day of March 2010 by the Central Council.

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

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 2009 year profits in the amount of \$8,176,040.

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 2009, the Division has a loan amount receivable from the joint venture of \$2,497,458 (2008: \$4,225,121). 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 Division's share of these future restoration costs.

It is anticipated the joint venture will suspend longwall mining operations in March 2010. At the date of this report the joint venture has commenced a suspension of operations plan in conjunction with the completion of mining of economically recoverable coal reserves. Due to the suspension of operations impairment of joint venture assets has been reflected in this financial report. [see Note 7 to the financial statements]

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

20. FINANCIAL RISK MANAGEMENT

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 2009.

	NOTE	2009 \$	2008 \$
Financial Assets			
Cash and cash equivalents	5	376,687	480,523
Held to maturity financial assets	8	39,139,659	20,531,764
Available-for-sale financial assets			
- Shares in Listed Corporations - at fair value	8	64,383	39,314
- Shares in Unlisted Corporations - at fair value	8	10	10
- Units in unlisted Managed Funds - at fair value	8	536,172	796,182
Trade and other receivables	6	6,046,522	7,772,145
		46,163,433	29,619,938
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	10	1,309,804	987,929
		1,309,804	987,929

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.

(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.

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.

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

The Union has no significant concentration of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 6.

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

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

20. FINANCIAL RISK MANAGEMENT *continued*

(a) Credit risk

Continued

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management. Committee policy involves receiving advice taken from a fixed income specialist advisory firm, that requires that surplus funds are 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.

	NOTE	2009 \$	2008 \$
Cash and cash equivalents			
- AA Rated		331,583	391,227
- ADI (Credit Unions unrated by S&P)		45,104	89,296
	5	376,687	480,523
Held to Maturity Financial Assets			
- AA Rated		9,685,191	3,703,361
- BB Rated		-	1,000,000
- ADI (Credit Unions unrated by S&P)		29,454,468	15,828,403
	8	39,139,659	20,531,764

(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	1,309,804	-	-	1,309,804
Total Financial Liabilities	1,309,804	-	-	1,309,804
At 31 December 2008				
Financial liabilities				
Trade & Other Payables	987,929	-	-	987,929
Total Financial Liabilities	987,929	-	-	987,929

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

20. FINANCIAL RISK MANAGEMENT *continued*

(c) Market risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Union is also exposed to earnings volatility on floating rate instruments.

ii. Price risk

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

The Union is exposed to securities price risk on investments held for trading or for medium to longer terms. Such risk is managed through diversification of investments across industries and geographical locations.

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%	391,397	203,021
— Decrease in interest rate by 1%	(391,397)	(203,021)
Change in equity		
— Increase in interest rate by 1%	391,397	203,021
— Decrease in interest rate by 1%	(391,307)	(203,021)

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

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

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 2009 and 31 December 2008 are as follows:

	2009	2008
	\$	\$
Financial liabilities	-	-
Trade and other payables	1,309,804	987,929
Total	<u>1,309,804</u>	<u>987,929</u>
Less: Cash and cash equivalents	376,687	480,523
Current Financial Assets Held-to-Maturity	<u>39,139,659</u>	<u>20,531,764</u>
Net debt	-	-
Total equity	<u>46,393,700</u>	<u>36,837,814</u>
Total capital	<u><u>46,393,700</u></u>	<u><u>36,837,814</u></u>
Gearing ratio	0%	0%

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

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

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:

	2009	2008
	\$	\$
PROFIT & LOSS DISCLOSURES		
i) ITEMS OF REVENUE		
ACTU Campaign Levy	-	28,903
Donations or Grants Income	115,182	-
ii) ITEMS OF EXPENSE		
Compulsory levies imposed on the Union	170,223	149,678
Affiliation fees/subscriptions to organisations with an interest in industrial matters.	88,956	57,018
<i>Donations or Grant Expenses.</i>		
• Donations (greater than \$1,000)	275,500	72,000
• General Donations (individually less than \$1,000)	2,673	3,136
	<u>278,173</u>	<u>75,136</u>
<i>Employee Benefits Expense:</i>		
- Office Holders	532,768	1,181,092
- Employees (Other than Office Holders)	2,354,052	2,186,860
	<u>2,886,820</u>	<u>3,367,952</u>
<i>Conference & 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.	176,672	144,847
Conference Expenses – National Convention	-	-
	<u>176,672</u>	<u>144,847</u>
Attendance Fees/Allowances – Conferences & Meetings	141,852	125,550

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

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

continued

	2009	2008
	\$	\$
<i>Schedule of Campaign Expenses:</i>		
Award Modernisation	650	41,750
AWU	11,904	99,270
Bengalla Coal	-	2,445
BHP	2,505	-
Clarence Colliery	2,750	-
Diamond Protection	7,673	-
Endeavour Coal	22,323	1,350
General Expenditures	32,108	6,690
Hazelwood Power	29,000	-
John Holland Mining	-	17,745
Membership Issues	5,000	-
NLC	-	2,625
Peabody	19,709	-
Perilya	8,250	-
PKCT	30,663	75,914
Resco	8,458	-
Rights on Site Campaign	-	500,000
Rio Tinto	9,397	-
Shell Refineries	20,530	4,330
Springvale Colliery	30,877	-
Superannuation Campaign	-	3,750
Occupational Health & Safety Campaign	-	40,901
Tasmanian Coronial Inquest	68,834	2,025
IR and Long Service Leave Campaign	2,800	-
Ulan Coal	26,604	6,142
United Collieries	1,119	-
TOTAL	341,154	804,937

11 January 2010

Mr Andrew Vickers
General Secretary, Mining and Energy Division
Construction, Forestry, Mining and Energy Union
1st Floor, 365 Sussex Street
SYDNEY NSW 2000



Fair Work
Australia



Dear Mr Vickers

**Lodgment of Financial Statements and Accounts –
Construction, Forestry, Mining and Energy Union, Mining & Energy Division
- for year ended 31 December 2009 (FR2009/10252)**

The financial year of the Mining & Energy 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(s) (either of the members or of the committee, whichever applies). Note that this meeting (or series of meetings) 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
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EAST SYDNEY NSW 2011

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