



FAIR WORK  
AUSTRALIA

6 July 2011

Mr B Lindbeck  
Lindbeck Partners  
PO Box 618  
CARDIFF NSW 2285



Dear Mr Lindbeck

**Re: Lodgment of Financial Accounts and Statements – Northern District Branch –  
for year ending 31 December 2010 (FR2010/2850)**

Thank you for lodging the above financial statements and accounts, which were received by Fair Work Australia on 30 June 2011.

The documents have been filed.

Yours respectfully,

Stephen Kellett

Statutory Services Branch



FAIR WORK  
AUSTRALIA

6 July 2011

Mr Grahame Kelly  
Secretary, Northern District Branch  
Construction, Forestry, Mining and Energy Union  
67A Aberdare Road  
CESSNOCK NSW 2325



Dear Mr Kelly

**Re: Lodgment of Financial Accounts and Statements – Northern District Branch –  
for year ending 31 December 2010 (FR2010/2850)**

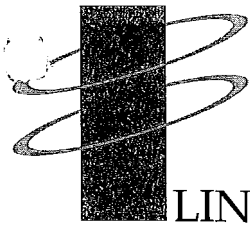
Thank you for lodging the above financial statements and accounts, which were received by Fair Work Australia on 30 June 2011.

The documents have been filed.

Yours respectfully,

Stephen Kellett

Statutory Services Branch



LINDBECK PARTNERS

B N Lindbeck Pty Limited ACN 079 130 000

ABN 99 839 215 857

28 June 2011

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

Dear Sir

RE: CFMEU MINING & ENERGY UNION NORTHERN DISTRICT BRANCH

I enclose herewith documents for the abovementioned in respect of the year ended 31 December 2010.

Should you have any queries in relation to this matter, please do not hesitate to contact me.

Regards



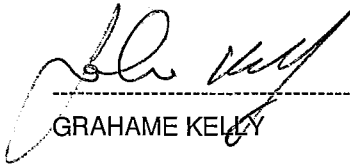
LINDBECK PARTNERS



**CERTIFICATE BY SECRETARY OR PRESCRIBED OFFICER**

I, GRAHAME KELLY being the Secretary of the Construction, Forestry, Mining and Energy Union, Mining & Energy Division, Northern District Branch certify:

- That the documents lodged herewith are copies of the full report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- That the full report was provided to members on 14 April 2011
- That the full report was presented to a meeting of the last of a series of general meetings of members of the reporting unit on 15 June 2011 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.



GRAHAME KELLY

DATE: 24 June 2011

## COMMITTEE OF MANAGERMENTS' STATEMENT

On 4 April 2011 the Committee of Management of the Construction Forestry Mining and Energy Union, Mining & Energy Division, Northern District Branch ('Union'), passed the following resolution in relation to the general purpose financial report (GPFR) of the Union for the year ended 31 December 2010.

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the General Manager of FWA;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year ended 31 December 2010;
- (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 ended 31 December 2010 and since the end of the financial year:
  - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation and the rules of the Union; and
  - (ii) the financial affairs of the Union have been managed in accordance with the rules of the organisation and the rules of the Union; and
  - (iii) the financial records of the Union have been kept and maintained in accordance with Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
  - (iv) the financial records of the Union have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
  - (v) no information has been sought in any request of a member of the Union or the General Manager of FWA under section 272 of Fair Work (Registered Organisations) Act 2009; and
  - (vi) no orders have been made by the General Manager of FWA under section 273 of Fair Work (Registered Organisations) Act 2009

For the Committee of Management:



GRAHAME KELLY

4 April 2011

## OPERATING REPORT

This Operating Report covers the activities of the Construction Forestry Mining and Energy Union, Northern District Branch, for the year ended 31 December 2010, the results of those activities and any significant changes in the nature of those activities during the year.

### 1. Principal Activities of the Union

The principal activities of the Union during the past year fell into the following categories:

- Implementation of the decisions of the National Executive, National Council and Northern District Executive and Board of Management.
- Implementation of the Union's organising agenda, including direct assistance and strategic advice on particular industry or site organising projects, the training and developing of Officials and delegates, and assistance to Lodges on planning, resourcing and implementing campaigns.
- Industrial support including representation of individual member grievances, advice on legal and legislative matters, pursuing relevant changes to the conditions of eligibility rules of the Union, and responding to other Unions' rules applications where they impact on membership of the CFMEU Northern District.
- The negotiation, variation and replacement of industrial instruments (Enterprise Agreements, Awards both State and Federal) for and in association with Lodges and members generally.
- To improve the conditions and protect the interests and rights of the members and workers
- Manage and control the occupational health and safety issues of the Northern District which include, but are not limited to:
  - workers compensation
  - rehabilitation
  - workplace safety and health

### 2. Results of Activities

The net profit for the year after income tax income tax was \$331,973 (2009 \$517,377). The decrease is due to increased wages, delegates & members expenses and sustentation fees.

### 3. Significant Changes

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

Significant changes in the financial affairs of the Union include a rise in the income from member contributions during the year of 7% due to increased membership and increase of 19% in interest income from investments.

### 4. Right of Members to Resign

All Members of the Union have the right to resign from the Union in accordance with Rule 5 of the Union Rules, (and Section 174 of Fair Work (Registered Organisations) Act 2009); namely, by providing written notice addressed and delivered to the Secretary of the relevant Lodge or the District Office.

5. Superannuation Trustees

Grahame Kelly is an officer of the Union and is a Trustee and Member of the Board of Directors of AUSCOAL Superannuation Fund.

6. Membership of the Union

There were 7,341 members of the union as at 31 December 2010.

7. Employees of Union

As at 31 December 2010, the Union employed 19 full time and 2 part time employees (2009 17 full time and 1 part time employees)

8. Committee of Management

The following persons were members of the Committee of Management during the year ended 31 December 2010;

Grahame Kelly	01.01.10 - 31.12.10
Peter Jordan	01.01.10 - 31.12.10
Greg Sharp	01.01.10 - 31.12.10
David Simm	01.01.10 - 31.12.10
Keith Shaw	01.01.10 - 31.12.10
Shane Thompson	01.01.10 - 31.12.10
Robin Williams	01.01.10 - 31.12.10
Jeffrey Drayton	01.01.10 - 31.12.10
Michael Dunn	01.01.10 - 31.12.10
Ronald Edwards	01.01.10 - 31.12.10
Colin Fenwick	01.01.10 - 31.12.10
Todd Hardy	01.01.10 - 31.12.10
James Heaton	01.01.10 - 31.12.10
Jeremy McWilliams	18.06.10 - 31.12.10
Russell Trappel	01.01.10 - 31.12.10
Ross Whitaker	01.01.10 - 31.12.10
Kerry Wild	01.01.10 - 31.12.10
Mark Wilson	01.01.10 - 31.12.10

  
-----  
GRAHAME KELLY, DISTRICT SECRETARY

4 April 2011

## AUDITORS REPORT TO MEMBERS OF CONSTRUCTION, FORESTRY, MINING and ENERGY UNION

### MINING & ENERGY DIVISION NORTHERN DISTRICT BRANCH

#### SCOPE

We have audited the general purpose financial report of Construction, Forestry, Mining and Energy Union, Mining & Energy Division Northern District Branch for the year ended 31 December 2010 as set out on pages 5 to 21. The management of the Union is responsible for the preparation of the financial statements and the information contained therein. We have conducted an independent audit of the financial statements in order to express an opinion on it to the members of the Union.

Our audit has been conducted in accordance with the Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 so as to present a view of the Union which is consistent with our understanding of its financial position and the results of its operations and cash flows.


The audit opinion expressed in this report has been formed on the above basis.

#### AUDIT OPINION

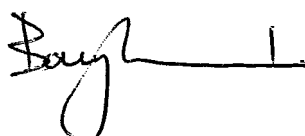
We have received all the information and explanations required for the purposes of our audit.

In our opinion, the general purpose financial report of Construction Forestry Mining and Energy Union, Mining & Energy Division Northern District Branch is in accordance:

- (a) The Union's financial position as at 31 December 2010 and of its performance and cash flows for the year ended on that date; and
- (b) Applicable Accounting Standards and other mandatory professional reporting requirements.
- (c) The requirements imposed by the Reporting Guidelines of Fair Work (Registered Organisations) Act 2009.



**LINDBECK PARTNERS**  
Chartered Accountants  
300 Main Road  
CARDIFF NSW 2285



**B N Lindbeck**  
Registered Company Auditor

Dated this 5th day of April 2011



**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	NOTE	2010 \$	2009 \$
Revenue	2	9,700,017	8,838,939
Other income		-	-
Employee benefits expense		(2,746,842)	(2,520,379)
Depreciation expense		(153,118)	(166,377)
Sustentation fees		(4,070,472)	(3,210,218)
Legal & medical fees		(181,394)	(253,871)
All other expenses		(2,216,218)	(2,170,717)
<b>Net Profit Attributable to Members</b>		<u>331,973</u>	<u>517,377</u>

The accompanying notes form part of this financial report

---

**BALANCE SHEET  
AS AT 31 DECEMBER 2010**

	NOTE	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	1,070,093	2,134,372
Trade and other receivables	5	488,239	203,610
Financial assets	6	17,597,142	16,464,989
Other current assets	7	63,018	44,250
<b>TOTAL CURRENT ASSETS</b>		<u>19,218,492</u>	<u>18,847,221</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	1,632,079	1,602,411
Investment property	9	1,867,378	1,277,102
<b>TOTAL NON-CURRENT ASSETS</b>		<u>3,499,457</u>	<u>2,879,513</u>
<b>TOTAL ASSETS</b>		<u>22,717,949</u>	<u>21,726,734</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	1,296,722	810,707
Short term provisions	11	842,751	707,823
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,139,473</u>	<u>1,518,530</u>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	10	387,222	387,222
Long term provisions	11	156,713	118,414
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>543,935</u>	<u>505,636</u>
<b>TOTAL LIABILITIES</b>		<u>2,683,408</u>	<u>2,024,166</u>
<b>NET ASSETS</b>		<u>20,034,541</u>	<u>19,702,568</u>
<b>EQUITY</b>			
Accumulated Members' Funds		<u>20,034,541</u>	<u>19,702,568</u>

The accompanying notes form part of this financial report

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	NOTE	2010 \$	2009 \$
Opening Balance as at 1 January		19,702,568	19,185,191
Profit/(Loss) Attributable to Members		<u>331,973</u>	<u>517,377</u>
Closing Balance as at 31 December		<u><u>20,034,541</u></u>	<u><u>19,702,568</u></u>

The accompanying notes form part of this financial report

---

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	NOTE	2010 \$	2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		9,388,479	8,696,409
Payments to suppliers and employees		(9,678,724)	(8,128,516)
Interest received		1,058,642	889,348
Other investment income received		106,394	43,765
Net cash inflow from operating activities	13(b)	<u>874,791</u>	<u>1,501,006</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of plant & equipment		63,545	81,910
Payment for plant & equipment		(280,186)	(284,987)
Payment for investment property		(590,276)	(177,102)
Payment for investments		<u>(1,132,153)</u>	<u>(571,986)</u>
Net cash inflow from investing activities		<u>(1,939,070)</u>	<u>(952,165)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash inflow from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		(1,064,279)	548,841
Cash at 1 January 2010	13(a)	<u>2,134,372</u>	<u>1,585,531</u>
<b>CASH AT 31 DECEMBER 2010</b>	<b>13(a)</b>	<u><u>1,070,093</u></u>	<u><u>2,134,372</u></u>

The accompanying notes form part of this financial report

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**Basis of Preparation**

The financial report has been prepared on an accruals basis, except where specifically stated, and is based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied.

**Accounting Policies**

(a) Property, Plant & Equipment

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

*Property, Plant and Equipment*

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

The carrying amount of property, plant and equipment is reviewed annually by directors 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 asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**1. STATEMENT OF SIGNIFICANT 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:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Motor vehicles	22.5%
Fixtures, fittings & equipment	10%-40%

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) Income Tax

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

(c) Leases

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

(d) Financial Instruments

*Recognition*

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

*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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(d) Financial Instruments (continued)

*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.

(e) Impairment of Assets

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

(f) Inventories

*Inventories held for sale*

Raw materials and finished goods are carried at the lower of cost allocated and net realisable value.

*Net realisable value*

Net realisable value is determined on the basis of each inventory line's normal selling pattern. Expense of marketing, selling and distribution to customers, are estimated and are deducted to establish net realisable value.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(g) Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits 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.

(h) Cash and Cash Equivalents.

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Balance Sheet.

(i) Revenue

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

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).

(j) Goods and Services Tax (GST)

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

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

(k) Comparative Figures

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**
**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**
**(l) Critical Accounting Estimates and Judgements**

The Committee of Management evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and from within the Union.

*Key estimates – Impairment*

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

	NOTE	2010 \$	2009 \$
<b>2. REVENUE:</b>			
Operating Activities			
Membership contributions		7,952,486	7,400,122
Interest received	2(a)	1,058,642	889,348
Medical & legal fees reimbursement		96,267	90,591
Rents received		106,394	43,765
Wage subsidy & reimbursement		234,776	159,138
Other income		251,452	255,975
		<u>9,700,017</u>	<u>8,838,939</u>
Non-Operating Activities			
Fair value gains		-	-
		<u>-</u>	<u>-</u>
Total Revenue		<u>9,700,017</u>	<u>8,838,939</u>
(a) Interest revenue from			
Other related parties		-	-
Other corporations		1,058,642	889,348
		<u>1,058,642</u>	<u>889,348</u>
<b>3. RESULT FROM ORDINARY ACTIVITIES EXPENSES:</b>			
Depreciation of property, plant & equipment		153,118	166,377
Movement in employee entitlements		399,101	299,894
Rental expense on operating leases		39,903	30,289

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	NOTE	2010 \$	2009 \$
<b>4. CASH AND CASH EQUIVALENTS</b>			
Cash on hand		6,110	4,142
Cash at bank		<u>1,063,983</u>	<u>2,130,230</u>
		<u>1,070,093</u>	<u>2,134,372</u>
<b>5. TRADE AND OTHER RECEIVABLES</b>			
Current			
Other receivables		<u>488,239</u>	<u>203,610</u>
		<u>488,239</u>	<u>203,610</u>
<b>6. FINANCIAL ASSETS</b>			
Held to Maturity Financial Assets	(a)	17,597,142	16,464,989
Available for Sale Financial Assets	(b)	-	-
		<u>17,597,142</u>	<u>16,464,989</u>
Split As:			
Current		17,597,142	16,464,989
Non Current		-	-
		<u>17,597,142</u>	<u>16,464,989</u>
(a) Held-to-maturity Financial Assets Comprise:			
Term Deposits and Bank Bills held with Financial Institutions.		<u>17,597,142</u>	<u>16,464,989</u>
<b>7. OTHER CURRENT ASSETS</b>			
Prepayments		<u>63,018</u>	<u>44,250</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	NOTE	2010 \$	2009 \$
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>			
Land			
At cost		<u>197,454</u>	<u>197,454</u>
Buildings			
At cost		1,469,907	1,469,907
Provision for depreciation		<u>595,905</u>	<u>559,158</u>
		<u>874,002</u>	<u>910,749</u>
<b>TOTAL LAND AND BUILDINGS</b>		<u><u>1,071,456</u></u>	<u><u>1,108,203</u></u>
Furniture & fittings & equipment			
At cost		981,194	883,725
Provision for depreciation		<u>645,755</u>	<u>619,781</u>
		<u>335,439</u>	<u>263,944</u>
Motor vehicles			
At cost		293,962	289,488
Provision for depreciation		<u>68,778</u>	<u>59,224</u>
		<u>225,184</u>	<u>230,264</u>
		<u><u>1,632,079</u></u>	<u><u>1,602,411</u></u>

**Movements in Carrying Amounts**

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

	Land \$	Buildings \$	Furniture, Fittings & Equipment \$	Motor Vehicles \$	Total \$
Balance at Start of Year	197,454	910,749	263,944	230,264	1,602,411
Additions	-	-	138,362	141,824	280,186
Disposals	-	-	5,693	91,707	97,400
Depreciation/Amortisation	-	36,747	61,174	55,197	153,118
Carrying Amount End of Year	<u>197,454</u>	<u>874,002</u>	<u>335,439</u>	<u>225,184</u>	<u>1,632,079</u>

**9. INVESTMENT PROPERTY**

Balance at beginning of year	1,277,102	1,100,000
Acquisitions	590,276	177,102
Fair value adjustments	-	-
Balance at end of year	<u><u>1,867,378</u></u>	<u><u>1,277,102</u></u>

The fair value model is applied to all investment property. Investment properties are independently revalued at least every three years. Values are based on an active liquid market value and are performed by a registered independent valuer. Directors' valuations are prepared at each balance date where an independent valuation has not been obtained.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	NOTE	2010 \$	2009 \$
<b>10. TRADE AND OTHER PAYABLE</b>			
Current			
Payables		1,277,209	780,727
GST liability		19,513	29,980
		<u>1,296,722</u>	<u>810,707</u>
Non-Current			
Payables		387,222	387,222
		<u>387,222</u>	<u>387,222</u>

**11. PROVISIONS**

	Provision for Annual Leave \$	Provision For LSL \$	Other Employee Entitlements \$	Total \$
Opening balance at 1 January 2010	412,653	118,414	295,170	826,237
Additional provisions	234,700	38,299	126,102	399,101
Amounts used	(192,022)	-	(33,852)	(225,874)
Balance at 31 December 2010	<u>455,331</u>	<u>156,713</u>	<u>387,420</u>	<u>999,464</u>
 (a) Analysis of ageing of provisions				
Current			842,751	707,823
Non-current			156,713	118,414
			<u>999,464</u>	<u>826,237</u>
 (b) Number of employees at balance date				
			21	18
 (c) Total employee benefits attributable to:				
Officeholders			620,684	498,272
Staff			378,780	327,965
			<u>999,464</u>	<u>826,237</u>

**12. CAPITAL AND LEASING COMMITMENTS****(a) OPERATING LEASE COMMITMENTS**

An operating lease commitment exists in respect of the lease of printers/photocopiers.  
The maximum amount committed is as follows:

The total operating lease commitment is:

Due within 1 year	7,623	30,492
Due within 1-2 years	-	7,623
Due within 2-5 years	-	-
	<u>7,623</u>	<u>38,115</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	NOTE	2010 \$	2009 \$
<b>12. CAPITAL AND LEASING COMMITMENTS (cont.)</b>			
<b>(b) CAPITAL EXPENDITURE COMMITMENTS</b>			
Capital expenditure commitments contracted for at balance date		-	-
<b>13. CASH FLOW INFORMATION</b>			
<b>(a) RECONCILIATION OF CASH</b>			
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Cash	4	1,070,093	2,134,372
BALANCE PER STATEMENT OF CASH FLOWS		<u>1,070,093</u>	<u>2,134,372</u>
<b>(b) RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>			
Operating Surplus for the Year		<u>331,973</u>	<u>517,377</u>
Depreciation		153,118	166,377
(Profit)/Loss on disposal of property, plant & equipment		33,855	63,106
Changes in Assets and Liabilities			
(Increase)/Decrease in debtors		(284,629)	410,705
(Increase)/Decrease in inventories		-	10,093
(Increase)/Decrease in prepayments		(18,768)	(2,999)
Increase/(Decrease) in creditors		486,015	337,080
Increase/(Decrease) in employee provisions		173,227	(733)
NET CASH INFLOW FROM OPERATING ACTIVITIES		<u>874,791</u>	<u>1,501,006</u>
<b>(c) STANDBY ARRANGEMENTS AND UNUSED CREDIT FACILITIES</b>			
Standby arrangements with the Union's bankers to provide funds and support facilities comprise:			
Other Short-Term Credit			
• Limit		-	-
• Amount utilised		-	-
UNUSED CREDIT FACILITY		<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

			NOTE	2010 \$	2009 \$
<b>14. FINANCIAL INSTRUMENTS</b>					
	Floating Interest Rate		Fixed Interest Rate	Non Interest Bearing	Total
		1 year or less	Over 1 to 5 years		
	\$	\$	\$	\$	\$
31 December 2010					
Financial Assets					
Cash	1,063,983	-	-	6,110	1,070,093
Receivables	-	-	-	488,239	488,239
Investments	-	17,597,142	-	-	17,597,142
	<u>1,063,983</u>	<u>17,597,142</u>	<u>-</u>	<u>494,349</u>	<u>19,155,474</u>
Weighted average interest	3.87%	6.36%			
Financial Liabilities					
Payables	-	-	-	1,296,722	1,296,722
Net financial assets/(liabilities)	<u>1,063,983</u>	<u>17,597,142</u>	<u>-</u>	<u>(802,373)</u>	<u>17,858,752</u>
31 December 2009					
Financial Assets					
Cash	2,130,230	-	-	4,142	2,134,372
Receivables	-	-	-	203,610	203,610
Investments	-	16,464,989	-	-	16,464,989
	<u>2,130,230</u>	<u>16,464,989</u>	<u>-</u>	<u>207,752</u>	<u>18,802,971</u>
Weighted average interest	4.07%	7.17%			
Financial Liabilities					
Payables	-	-	-	810,707	810,707
Net financial assets/(liabilities)	<u>2,130,230</u>	<u>16,464,989</u>	<u>-</u>	<u>(602,955)</u>	<u>17,992,264</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$

15. RELATED PARTY INFORMATION

(a) MEMBERS OF THE COMMITTEE OF MANAGEMENT

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

- Peter Jordan - President
- Grahame Kelly - Secretary
- Gregory Sharp - Vice President
- Robin Williams - Vice President
- Shane Thompson - Vice President elected 01.03.10
- Keith Shaw - District Check Inspector
- David Simm - District Check Inspector

Persons holding honorary positions as members of the Committee of Management during the year:

- |                 |                                    |
|-----------------|------------------------------------|
| Jeffrey Drayton | Jeremy McWilliams elected 18.06.10 |
| Michael Dunn    | Shane Thompson to 01.03.10         |
| Ronald Edwards  | Russell Trappel                    |
| Colin Fenwick   | Ross Whitaker                      |
| Todd Hardy      | Kerry Wild                         |
| James Heaton    | Mark Wilson                        |

(b) RELATED PARTY TRANSACTIONS

Sustentation fees paid to the Construction Forestry Mining and Energy Union, Mining & Energy Division, Federal Office during the year totalled \$4,070,472 (2009: \$3,210,218).

16. SALARIES

The following analysis of salaries paid during the year is given in compliance with the requirements of the Fair Work (Registered Organisations) Act 2009:

Paid to office holders	1,082,648	991,313
Paid to employees	685,426	645,289
	<u>1,768,074</u>	<u>1,636,602</u>

17. AUDITORS' REMUNERATION

Amounts received, or due and receivable by the auditors for:

• Auditing	29,250	29,250
• Other services	24,750	28,500
TOTAL	<u>54,000</u>	<u>57,750</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

2010	2009
\$	\$

18. ORGANISATION DETAILS

The Union is a Trade Union registered and domiciled in Australia. The registered office and principal place of business of the Union is: 67A Aberdare Road Aberdare NSW 2325

19. 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 4 April 2011 by the Committee of Management.

20. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF FWA

In accordance with the requirements of Section 272 of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the following:

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



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010 \$	2009 \$
<b>21. ADDITIONAL DISCLOSURES REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009</b>		
In accordance with the requirements of Section 255 of the Fair Work (Registered Organisations) Act 2009 the following necessary disclosures are made:		
i) INCOME STATEMENT		
ITEMS OF REVENUE		
Compulsory levies raised from members or appeals for voluntary contributions:		
- CFMEU National Assistance Fund	1,760,955	1,329,924
Donations or Grants Income	-	-
ITEMS OF EXPENSE		
Expenses paid to employers for payroll deduction costs incurred relating to membership contributions.		
Affiliation fees/subscriptions to organisations with an interest in industrial matters.	40,886	39,140
Compulsory levies imposed on the Union.	-	-
Donations or Grant Expenses.	104,386	175,154
Employee Benefits Expense:		
- Office Holders	1,332,532	1,288,022
- Employees (Other than Office Holders)	844,872	730,924
	<u>2,177,404</u>	<u>2,018,946</u>
Attendance Fees/Allowances – Conferences and Meetings	30,198	23,348
Legal Costs and Related Expenses	87,556	176,917
Expenses incurred in connection with meetings of members, councils, committees, panels to other bodies for which the Union was wholly or partly responsible.	217,592	131,742
Penalties imposed under the Act or Regulations.	-	-
OTHER BALANCES		
Transfers (from)/to a fund or account kept for specific purposes:		
- CFMEU National Assistance Fund	1,760,955	1,329,924

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$
<b>INCOME</b>		
Contributions	7,952,486	7,400,122
Fair value gain	-	-
Interest received	1,058,642	889,348
Rents received and building outgoings	106,394	43,765
Medical & legal fees reimbursements	96,267	90,591
Wage subsidy & reimbursement	234,776	159,138
Sundry Income	251,452	255,975
<b>TOTAL INCOME</b>	<u>9,700,017</u>	<u>8,838,939</u>
<b>EXPENDITURE</b>		
Accountancy fees	2,450	2,728
Advertising	423	2,652
Affiliation fees	40,886	39,140
Audit fees	54,000	57,750
Bank fees & charges	4,230	3,972
Board of management expenses	62,887	63,412
Cleaning expenses	21,585	21,999
Delegates & members expenses	586,253	461,896
Depreciation	153,118	166,377
Donations	104,386	175,154
Electricity	21,871	22,965
Fringe benefits tax	26,412	50,014
Functions & entertainment	31,633	23,998
Funeral benefits expenses	248,750	231,927
Hire of plant & equipment	39,903	30,289
Honorariums	1,125	58,156
Industrial action expenses	5,952	49,110
Insurance	47,766	45,213
Internet expenses	4,565	3,827
Legal fees	87,556	176,917
Loss on disposal of fixed assets	33,855	63,106
Medical expenses	93,838	76,954
Motor vehicle expenses	74,878	81,474
Payroll tax	170,337	162,346
Postage, printing & stationery	81,990	61,490
Provision for annual leave & sick leave	360,802	275,644
Provision for long service leave	38,299	24,250
Provision for LSL trf to Central	56,501	-
Rates	25,027	17,479
Repairs & maintenance	91,390	120,264
Brought forward over page	<u>2,572,668</u>	<u>2,570,503</u>

---

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$
EXPENDITURE		
(Continued)		
Carried over from previous page	<u>2,572,668</u>	<u>2,570,503</u>
Research expenses	34,900	18,787
Salaries & wages	1,768,074	1,636,602
Security services	5,351	4,797
Special levy payments	7,000	5,600
Staff amenities	11,704	13,391
Staff training	9,822	23,348
Subscriptions	13,757	13,416
Superannuation	409,330	421,537
Sustentation fees	4,070,472	3,210,218
Telephone	111,464	112,111
Travel & accommodation	86,126	82,269
General office expenses	<u>267,376</u>	<u>208,983</u>
TOTAL EXPENDITURE	<u>9,368,044</u>	<u>8,321,562</u>
OPERATING SURPLUS FOR THE YEAR	<u><u>331,973</u></u>	<u><u>517,377</u></u>



FAIR WORK  
AUSTRALIA

11 January 2011

Mr Peter Jordan  
District President  
Construction, Forestry, Mining and Energy Union –  
Mining and Energy Division Northern District Branch  
Fax (02) 4991 1595

Dear Mr Jordan,

**Lodgement of Financial Documents for year ended 31 December 2010 [FR2010/2850]  
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Construction, Forestry, Mining and Energy Union - Mining and Energy Division Northern District Branch (the "reporting unit") has recently ended. This is a courtesy letter to remind you of the obligation to prepare and process the reporting unit's financial documents. The full financial report must be lodged with Fair Work Australia within a period of 6 months and 14 days of the end of the financial year.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. The attached *Timeline/Planner* summarises these requirements, but I also describe the sequence here.

When the accounts have been prepared ready for the auditor, you or other officers of the Committee of Management must complete, sign and date a "Committee of Management Statement". This Statement effectively approves the accounts for audit and is usually completed at a "first" Committee meeting.

When the auditor has completed his or her audit, he or she must sign and date the "Auditor's Report". The signing and dating of the Auditor's Report may coincide with the date of the "first" Committee Meeting.

Only when the Auditor's Report has been signed and dated is the financial report ready for distribution or publication for the members. This is because the members must be able to see that the report has been audited.

I note that the usual practice within the Mining Divisional Branches is for general meetings of members in the Lodges to be held to endorse any Board resolution. In this particular case, the Australian Industrial Registry (as it was formerly known) has accepted that the endorsement by the Lodge meetings constitutes presentation for the purposes of the Act. The important thing is to comply with both s265 and s266, and ensure that members have satisfactory access and opportunity to view and consider the financial report before lodgement with Fair Work Australia.

The documents must be lodged within 14 days of the final meeting constituting "presentation" of the report. Your Certificate should provide the date the report was distributed/made available to the members and the date of presentation to the final meeting. This will enable Fair Work Australia to be satisfied that you have complied with the relevant sections of the Act.

For additional information, if you need it, financial reporting fact sheets and sample documents can be found on our Fair Work Australia website ([www.fwa.gov.au](http://www.fwa.gov.au)). You will find that the legislative requirements remain largely unchanged to that of the former requirements under Schedule 1 of the Workplace Relations Act 1996. The information can be viewed at [FWA Registered Organisations Fact Sheets](#)

This office encourages you to lodge all financial reports electronically (e.g. as pdf files) at [RIASydney@fwa.gov.au](mailto:RIASydney@fwa.gov.au). Alternatively, you can forward the documents by fax to (02) 9380 6990 .

If you need any further information or if you believe you will be unable to lodge the full financial report within the period mentioned above please contact me on (02) 8374 6666 or by email at [RIASydney@fwa.gov.au](mailto:RIASydney@fwa.gov.au).

Yours sincerely,



Steve Teece  
Registered Organisations – New South Wales  
Fair Work Australia

**TIMELINE/ PLANNER**

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.  (b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	Within a reasonable time of having received the GPFR <i>(NB: Auditor's report must be dated on or after date of Committee of Management Statement)</i>
Provide full report free of charge to members – s265 The full report includes: <input type="checkbox"/> the General Purpose Financial Report (which includes the Committee of Management Statement); <input type="checkbox"/> the Auditor's Report; and <input type="checkbox"/> the Operating Report.	/ /	(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,  or  (b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with Fair Work Australia, together with the #Designated Officer's certificate++ - s268	/ /	Within 14 days of meeting

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

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

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