



FAIR WORK  
AUSTRALIA

3 September 2012

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 2011 (FR2011/2855)**

Thank you for lodging the above financial statements and accounts, which were received by Fair Work Australia on 23 July 2012.

The documents have been filed.

Yours respectfully,

Stephen Kellett

Senior Adviser, Organisations, Research and Advice Branch

cc. Mr Barry Lindbeck, Lindbeck Partners



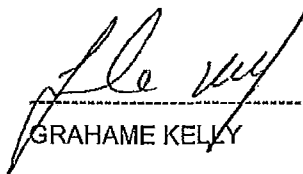
## COMMITTEE OF MANAGERMENTS' STATEMENT

On 22 March 2012 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 2011.

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 2011;
- (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 2011 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

22 March 2012

## 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 2011, 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 and Federal Awards) 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 was \$1,112,549 (2010 \$331,973).

The increase is due to increased membership contributions and investment revenue.

### 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 13% due to increased membership and increase of 12% 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 8,580 members of the union as at 31 December 2011.

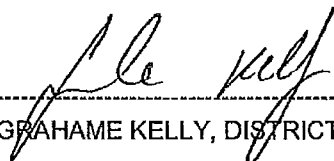
7. Employees of Union

As at 31 December 2011, the Union employed 19 full time and 1 part time employees (2010 19 full time and 2 part time employees)

8. Committee of Management

The following persons were members of the Committee of Management during the year ended 31 December 2011;

Grahame Kelly	01.01.11 - 31.12.11
Peter Jordan	01.01.11 - 31.12.11
Greg Sharp	01.01.11 - 31.12.11
David Simm	01.01.11 - 31.12.11
Keith Shaw	01.01.11 - 31.12.11
Shane Thompson	01.01.11 - 31.12.11
Robin Williams	01.01.11 - 31.12.11
Jeffrey Drayton	01.01.11 - 31.12.11
Michael Dunn	01.01.11 - 31.12.11
Ronald Edwards	01.01.11 - 31.12.11
Colin Fenwick	01.01.11 - 31.12.11
Todd Hardy	01.01.11 - 31.12.11
James Heaton	01.01.11 - 31.12.11
Jeremy McWilliams	01.01.11 - 31.12.11
Russell Trappel	01.01.11 - 31.12.11
Ross Whitaker	01.01.11 - 31.12.11
Kerry Wild	01.01.11 - 31.12.11
Mark Wilson	01.01.11 - 31.12.11

  
-----  
GRAHAME KELLY, DISTRICT SECRETARY

22 March 2012

**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 2011 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 2011 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*

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

*B N Lindbeck*

**B N Lindbeck**  
Registered Company Auditor

Dated this 23rd day of March 2012.

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	NOTE	2011 \$	2010 \$
Revenue	2	11,011,338	9,700,017
Other income		-	-
Employee benefits expense		(2,839,397)	(2,746,842)
Depreciation expense		(156,968)	(153,118)
Sustentation fees		(4,285,208)	(4,070,472)
Legal & medical fees		(179,835)	(181,394)
All other expenses		<u>(2,437,381)</u>	<u>(2,216,218)</u>
<b>Net Profit Attributable to Members</b>		<u><u>1,112,549</u></u>	<u><u>331,973</u></u>

The accompanying notes form part of this financial report

---

**BALANCE SHEET  
AS AT 31 DECEMBER 2011**

	NOTE	2011 \$	2010 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	1,505,014	1,070,093
Trade and other receivables	5	718,635	488,239
Financial assets	6	17,756,739	17,597,142
Other current assets	7	69,462	63,018
<b>TOTAL CURRENT ASSETS</b>		<u>20,049,850</u>	<u>19,218,492</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	1,615,138	1,632,079
Investment property	9	1,875,986	1,867,378
<b>TOTAL NON-CURRENT ASSETS</b>		<u>3,491,124</u>	<u>3,499,457</u>
<b>TOTAL ASSETS</b>		<u>23,540,974</u>	<u>22,717,949</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	821,849	1,296,722
Short term provisions	11	993,042	842,751
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,814,891</u>	<u>2,139,473</u>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	10	387,222	387,222
Long term provisions	11	191,771	156,713
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>578,993</u>	<u>543,935</u>
<b>TOTAL LIABILITIES</b>		<u>2,393,884</u>	<u>2,683,408</u>
<b>NET ASSETS</b>		<u>21,147,090</u>	<u>20,034,541</u>
<b>EQUITY</b>			
Accumulated Members' Funds		<u>21,147,090</u>	<u>20,034,541</u>

The accompanying notes form part of this financial report

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	NOTE	2011 \$	2010 \$
Opening Balance as at 1 January		20,034,541	19,702,568
Profit/(Loss) Attributable to Members		<u>1,112,549</u>	<u>331,973</u>
Closing Balance as at 31 December		<u>21,147,090</u>	<u>20,034,541</u>

The accompanying notes form part of this financial report

---



**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	NOTE	2011 \$	2010 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		10,650,457	9,388,479
Payments to suppliers and employees		(11,190,544)	(9,678,724)
Interest received		1,188,066	1,058,642
Other investment income received		141,038	106,394
Net cash inflow from operating activities	13(b)	<u>789,017</u>	<u>874,791</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of plant & equipment		96,136	63,545
Payment for plant & equipment		(282,027)	(280,186)
Payment for investment property		(8,608)	(590,276)
Payment for investments		(159,597)	(1,132,153)
Net cash inflow from investing activities		<u>(354,096)</u>	<u>(1,939,070)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash inflow from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		434,921	(1,064,279)
Cash at 1 January 2011	13(a)	<u>1,070,093</u>	<u>2,134,372</u>
CASH AT 31 DECEMBER 2011	13(a)	<u><u>1,505,014</u></u>	<u><u>1,070,093</u></u>

The accompanying notes form part of this financial report

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**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 2011**

**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 2011**

**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 2011**

**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 2011**

**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	2011 \$	2010 \$
<b>2. REVENUE:</b>			
Operating Activities			
Membership contributions		8,994,332	7,952,486
Interest received	2(a)	1,188,066	1,058,642
Medical & legal fees reimbursement		94,374	96,267
Rents received		141,038	106,394
Wage subsidy & reimbursement		169,051	234,776
Other income		424,477	251,452
		<u>11,011,338</u>	<u>9,700,017</u>
Non-Operating Activities			
Fair value gains		-	-
		<u>-</u>	<u>-</u>
Total Revenue		<u>11,011,338</u>	<u>9,700,017</u>
(a) Interest revenue from			
Other related parties		-	-
Other corporations		1,188,066	1,058,642
		<u>1,188,066</u>	<u>1,058,642</u>

**3. RESULT FROM ORDINARY ACTIVITIES  
EXPENSES:**

Depreciation of property, plant & equipment	156,968	153,118
Movement in employee entitlements	406,026	399,101
Rental expense on operating leases	29,275	39,903

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	NOTE	2011 \$	2010 \$
<b>4. CASH AND CASH EQUIVALENTS</b>			
Cash on hand		6,110	6,110
Cash at bank		1,498,904	1,063,983
		<u>1,505,014</u>	<u>1,070,093</u>
<b>5. TRADE AND OTHER RECEIVABLES</b>			
Current			
Other receivables		718,635	488,239
		<u>718,635</u>	<u>488,239</u>
<b>6. FINANCIAL ASSETS</b>			
Held to Maturity Financial Assets	(a)	17,756,739	17,597,142
Available for Sale Financial Assets	(b)	-	-
		<u>17,756,739</u>	<u>17,597,142</u>
Split As:			
Current		17,756,739	17,597,142
Non Current		-	-
		<u>17,756,739</u>	<u>17,597,142</u>
<b>(a) Held-to-maturity Financial Assets Comprise:</b>			
Term Deposits and Bank Bills held with Financial Institutions.		<u>17,756,739</u>	<u>17,597,142</u>
<b>7. OTHER CURRENT ASSETS</b>			
Prepayments		<u>69,462</u>	<u>63,018</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	NOTE	2011 \$	2010 \$
<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>632,653</u>	<u>595,905</u>
		<u>837,254</u>	<u>874,002</u>
<b>TOTAL LAND AND BUILDINGS</b>		<u><u>1,034,708</u></u>	<u><u>1,071,456</u></u>
Furniture & fittings & equipment			
At cost		1,041,349	981,194
Provision for depreciation		<u>694,234</u>	<u>645,755</u>
		<u>347,115</u>	<u>335,439</u>
Motor vehicles			
At cost		289,952	293,962
Provision for depreciation		<u>56,637</u>	<u>68,778</u>
		<u>233,315</u>	<u>225,184</u>
		<u><u>1,615,138</u></u>	<u><u>1,632,079</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	874,002	335,439	225,184	1,632,079
Additions	-	-	79,475	202,552	282,027
Disposals	-	-	4,682	137,318	142,000
Depreciation/Amortisation	-	36,748	63,117	57,103	156,968
Carrying Amount End of Year	<u>197,454</u>	<u>837,254</u>	<u>347,115</u>	<u>233,315</u>	<u>1,615,138</u>

**9. INVESTMENT PROPERTY**

Balance at beginning of year	1,867,378	1,277,102
Acquisitions	8,608	590,276
Fair value adjustments	-	-
Balance at end of year	<u>1,875,986</u>	<u>1,867,378</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 2011**

	NOTE	2011 \$	2010 \$
<b>10. TRADE AND OTHER PAYABLE</b>			
Current			
Payables		760,836	1,277,209
GST liability		61,013	19,513
		<u>821,849</u>	<u>1,296,722</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 2011	455,331	156,713	387,420	999,464
Additional provisions	245,688	35,058	125,280	406,026
Amounts used	<u>(183,670)</u>	-	<u>(37,007)</u>	<u>(220,677)</u>
Balance at 31 December 2011	<u>517,349</u>	<u>191,771</u>	<u>475,693</u>	<u>1,184,813</u>
 (a) Analysis of ageing of provisions				
Current			993,042	842,751
Non-current			191,771	156,713
			<u>1,184,813</u>	<u>999,464</u>
 (b) Number of employees at balance date				
			20	21
 (c) Total employee benefits attributable to:				
Officeholders			702,096	620,684
Staff			482,717	378,780
			<u>1,184,813</u>	<u>999,464</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	19,358	7,623
Due within 1-2 years	19,358	-
Due within 2-5 years	37,102	-
	<u>75,818</u>	<u>7,623</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	NOTE	2011 \$	2010 \$
<b>12. CAPITAL AND LEASING COMMITMENTS (cont.)</b>			
<b>(b) CAPITAL EXPENDITURE COMMITMENTS</b>			
Capital expenditure commitments contracted for at balance date		<u>-</u>	<u>-</u>
<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	<u>1,505,014</u>	<u>1,070,093</u>
BALANCE PER STATEMENT OF CASH FLOWS		<u>1,505,014</u>	<u>1,070,093</u>
<b>(b) RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>			
Operating Surplus for the Year		<u>1,112,549</u>	<u>331,973</u>
Depreciation		156,968	153,118
(Profit)/Loss on disposal of property, plant & equipment		45,864	33,855
Changes in Assets and Liabilities			
(Increase)/Decrease in debtors		(230,396)	(284,629)
(Increase)/Decrease in inventories		-	-
(Increase)/Decrease in prepayments		(6,444)	(18,768)
Increase/(Decrease) in creditors		(474,873)	486,015
Increase/(Decrease) in employee provisions		185,349	173,227
NET CASH INFLOW FROM OPERATING ACTIVITIES		<u>789,017</u>	<u>874,791</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 2011**

**14. FINANCIAL INSTRUMENTS**

	Floating Interest Rate	Fixed Interest Rate	Non Interest Bearing	Total
		1 year or less	Over 1 to 5 years	
	\$	\$	\$	\$
<b>31 December 2011</b>				
<b>Financial Assets</b>				
Cash	1,498,904	-	-	1,505,014
Receivables	-	-	-	718,635
Investments	-	17,756,739	-	17,756,739
	<u>1,498,904</u>	<u>17,756,739</u>	<u>-</u>	<u>19,980,388</u>
Weighted average interest	3.73%	6.29%		
<b>Financial Liabilities</b>				
Payables	-	-	-	821,849
Net financial assets/(liabilities)	<u>1,498,904</u>	<u>17,756,739</u>	<u>-</u>	<u>19,158,539</u>
<b>31 December 2010</b>				
<b>Financial Assets</b>				
Cash	1,063,983	-	-	1,070,093
Receivables	-	-	-	488,239
Investments	-	17,597,142	-	17,597,142
	<u>1,063,983</u>	<u>17,597,142</u>	<u>-</u>	<u>19,155,474</u>
Weighted average interest	3.87%	6.36%		
<b>Financial Liabilities</b>				
Payables	-	-	-	1,296,722
Net financial assets/(liabilities)	<u>1,063,983</u>	<u>17,597,142</u>	<u>-</u>	<u>17,858,752</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

2011                      2010  
\$                                \$

**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
- 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 |
| Michael Dunn    | Russell Trappel   |
| Ronald Edwards  | Ross Whitaker     |
| Collin Fenwick  | Kerry Wild        |
| Todd Hardy      | Mark Wilson       |
| James Heaton    |                   |

**(b) RELATED PARTY TRANSACTIONS**

Sustentation fees paid to the Construction Forestry Mining and Energy Union, Mining & Energy Division, Federal Office during the year totalled \$4,285,208 (2010: \$4,070,472).

**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	1,128,025	1,082,648
Paid to employees	698,097	685,426
	1,826,122	1,768,074

**17. AUDITORS' REMUNERATION**

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

• Auditing	29,500	29,250
• Other services	30,455	24,750
<b>TOTAL</b>	<b>59,955</b>	<b>54,000</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**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 22 March 2012 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 2011**

	2011	2010
	\$	\$
<b>21. ADDITIONAL DISCLOSURES REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009</b>		
<p>In accordance with the requirements of Section 255 of the Fair Work (Registered Organisations) Act 2009 the following necessary disclosures are made:</p>		
<p><b>i) INCOME STATEMENT</b></p>		
<p><b>ITEMS OF REVENUE</b></p>		
<p>Compulsory levies raised from members or appeals for voluntary contributions:</p>		
- CFMEU National Assistance Fund	1,910,609	1,760,955
Donations or Grants Income	-	-
<p><b>ITEMS OF EXPENSE</b></p>		
<p>Expenses paid to employers for payroll deduction costs incurred relating to membership contributions.</p>		
	-	-
<p>Affiliation fees/subscriptions to organisations with an interest in industrial matters.</p>		
	48,925	40,886
<p>Compulsory levies imposed on the Union.</p>		
	-	-
<p>Donations or Grant Expenses.</p>		
	127,019	104,386
<p>Employee Benefits Expense:</p>		
- Office Holders	1,501,830	1,332,532
- Employees (Other than Office Holders)	870,894	844,872
	<u>2,372,724</u>	<u>2,177,404</u>
<p>Attendance Fees/Allowances – Conferences and Meetings</p>		
	37,800	30,198
<p>Legal Costs and Related Expenses</p>		
	99,307	87,556
<p>Expenses incurred in connection with meetings of members, councils, committees, panels to other bodies for which the Union was wholly or partly responsible.</p>		
	228,546	217,592
<p>Penalties imposed under the Act or Regulations.</p>		
	-	-
<p><b>OTHER BALANCES</b></p>		
<p>Transfers (from)/to a fund or account kept for specific purposes:</p>		
- CFMEU National Assistance Fund	1,910,609	1,760,955

**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 29 March 2012
- 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 5 June 2012 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

  
GRAHAME KELLY

DATE: 15.6.2012



FAIR WORK  
AUSTRALIA

16 July 2012

Mr Peter Jordan  
President, Northern District Branch (Mining and Energy Division)  
CFMEU  
PO Box 364  
CESSNOCK NSW 2325

Dear Mr Jordan

**Lodgement of Financial Documents for year ended 31 December 2011 - Fair Work  
(Registered Organisations) Act 2009 ['FW(RO) Act'] - Northern District Branch (Mining and  
Energy Division) (FR2011/2855)**

The FW(RO) Act requires audited financial accounts and statements to be lodged with Fair Work Australia within 6 months and 14 days of the end of its financial year. However this office has no record of lodgement of the Northern District Branch's financial documents for year ended 31 December 2011 which should have been lodged by 14 July 2012.

In order to avoid exposure to a civil (pecuniary) penalty, you must lodge the following documents without further delay: (1) A **general purpose financial report** (see section 253(2)(a)); (2) A **committee of management statement** (see the Financial Reporting Guidelines); (3) An **operating report** (see section 254(2)); (4) An **auditor's report** (see sections 257(5) to 257(11)); and (5) A **certificate** of the **secretary or other authorised officer** (see section 268).

If the outstanding documents cannot be lodged in the next 21 days, please advise in writing by 7 August 2012 an explanation why not and whether: (i) a committee of management statement and operating report have been prepared; (ii) the auditor has audited the financial report and, if so, when the auditor signed the audit report; (iii) members have been provided with the full report including the committee of management statement, the auditor's report and the operating report; (iv) the full report has also been presented to a second meeting and (v) when you expect a copy of the full report will be lodged in this office.

I draw your attention to the civil penalty provisions of the FW(RO) Act [see section 305(2)(ze)] which allow the Federal Court to impose a pecuniary penalty upon a person or organisation where accounts are not lodged in accordance with section 268. You should also be aware of the provisions of Part 1 of Chapter 9 of the FW(RO) Act which set out general duties of officers and employees of organisations and their branches in relation to financial management.

You may lodge documents electronically by sending an email with the documents attached to [sydney@fwa.gov.au](mailto:sydney@fwa.gov.au) or you may send the documents by fax to (02) 9380 6990.

Yours sincerely,

Stephen Kellett  
Organisations, Research & Advice Branch  
Fair Work Australia





FAIR WORK  
AUSTRALIA

13 January 2011

Mr Grahame Kelly  
Secretary, Northern District Branch, Mining and Energy Division  
Construction, Forestry, Mining and Energy Union  
PO Box 364  
CESSNOCK NSW 2325

Dear Mr Kelly

**Lodgment of Financial Statements and Accounts –  
Northern District Branch, Mining & Energy Division - for year ended 31 December 2011  
(FR2011/2855)**

The financial year of the Northern District Branch has recently ended. This is a courtesy letter for your file to remind you of the obligation to lodge audited financial accounts and statements with Fair Work Australia within the prescribed time frame, that is, by 14 July 2012, unless a 1 month extension is applied for and granted.

The documents you must lodge include:

(i) A *general purpose financial report*; (ii) A *Committee of Management statement* (iii) An *operating report*; (iv) An *auditor's report*; and (v) A *certificate* in accordance with section 268.

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 the Branch's 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 a second meeting* (which, in accordance with past practice and the rules, will include Lodge meetings endorsing Board presentation)

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>.

Yours sincerely,

Stephen Kellett

Organisations, Research and Advice Branch

Terrace Towers  
80 William Street  
East Sydney NSW 2011

Telephone: (02) 8374 6666  
International: (612) 8374 6666  
Facsimile: (02) 9380 6990  
Email: [sydney@fwa.gov.au](mailto:sydney@fwa.gov.au)

**TIMELINE/ PLANNER**

Financial reporting period ending:	
------------------------------------	--

1. Prepare financial statements and Operating Report.
---

1(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.	/ /
1(b) A #designated officer must sign the Committee of Management 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*

*This step must be completed and the Statement signed at a first meeting*

2. Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
--	-----

*Within a reasonable time of having received the GPFR  
(NB: Auditor's report must be dated on or after date of Committee of Management Statement)*

3. Provide full report free of charge to members – s265  The full report must include:	/ /
<ul style="list-style-type: none"> <li>• the General Purpose Financial Report (which includes the Committee of Management Statement);</li> <li>• the Auditor's Report; and</li> <li>• the Operating Report.</li> </ul>	

*(a) if the report is to be presented to a General Meeting the report must be provided to members 21 days before the General Meeting,  
  
or  
(b) if 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.*

4. Present full report to second meeting:	/ /
(a) General Meeting of Members - s266 (1),(2); OR (b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	

*Presentation occurs at a 'second' Meeting  
  
A second meeting which is a General Meeting must take place within 6 months of end of financial year  
  
A second meeting which is a meeting of the Committee must take place within 6 months of end of financial year*

5. Lodge full report with Fair Work Australia, together with the #Designated Officer's certificate <sup>++</sup> – s268	/ /
---	-----

*Within 14 days of presentation at second 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 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.