

30 June 2010

Ms Lorraine Usher
Secretary, NSW Energy District Branch
Construction, Forestry, Mining and Energy Union
PO Box Q1641, QVB Post Office
SYDNEY NSW 1230



FAIR WORK
AUSTRALIA



Dear Ms Usher

**Re: Lodgment of Financial Accounts and Statements – NSW Energy District Branch –
for year ending 31 December 2009 (FR2009/10250)**

Thank you for lodging the above financial statements and accounts, which were received by Fair Work Australia on 24 June 2010.

The documents have been filed, but I take this opportunity to draw your attention to the following.

Presentation in accordance with s266

Your Secretary's certificate certified that the report was presented to a meeting of the committee on 24 June 2010.

Because the District Branch rules do not contain a provision, as described in s266(3), for members to petition a general meeting to consider the financial report, the Act [see s266(1) and (2)] requires reports to be presented to meetings of the members, separately and subsequently to the reports being provided to them for their perusal.

Since Rule 7(iv) of your rules provides that District Board decisions must also be endorsed by the Lodge membership, the Sydney office of Fair Work Australia accepts that endorsement by the members at Lodge meetings would constitute "presentation" for the purposes of s266 and has accordingly adopted the approach of filing Mining Divisional Branch returns upon certification that reports have been presented to the Lodge meetings held under the rules.

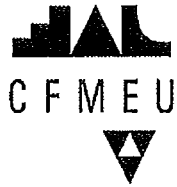
I would ask, therefore, that in future your Certificate either includes confirmation that presentation of the report to the Committee meeting has been endorsed by the Lodge members or certifies that the report was presented to a series of general meetings of members, as was the case for the previous year's return (see copy attached).

Please do not hesitate to contact me to discuss if you have any queries regarding the above.

Yours respectfully,

Stephen Kellett

Statutory Services Branch



Mining and Energy Division
NSW Energy District

Level 1, 365-375 Sussex Street, Sydney 2000
Postal address PO Box Q1641 QVB Post Office Sydney 1230
Phone 02 9267 3812 • Fax 02 9267 3198

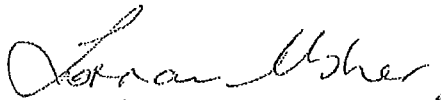
Email lusher@cfmeu.com.au

President *Allen Drew* • Secretary *Lorraine Usher*

Certificate of Secretary or other Authority Officer
s268 Fair Work (Registered Organisations) Act 2009

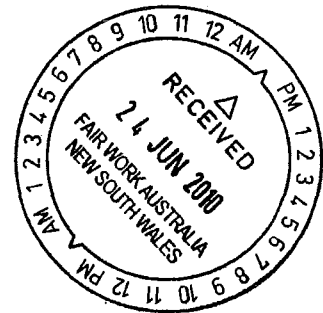
I, LORRAINE USHER, being the Secretary of the NSW Energy District Branch, Mining and Energy Division of the Construction, Forestry, Mining and Energy Union, certify:

- That the documents lodged herewith are copies of the full report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- That the full report, was provided to members on 3rd May, 2010; and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 24th June, 2010; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.


SECRETARY

24th June, 2010.

Encl.



Cessnock Office – 67A Aberdare Road Aberdare • Postal address – PO Box 364 Cessnock 2325
Phone 049 907 600 • Fax 049 911 595 • Allen Drew's mobile 0412 497 046

Represented in NSW by the Federated Engine Drivers' and Firemans' Association of Australasia (NSW)

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
MINING AND ENERGY DIVISION
NEW SOUTH WALES ENERGY DISTRICT**

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

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OPERATING REPORT

Your Board of Management of Construction, Forestry, Mining and Energy Union - Mining & Energy Division, New South Wales Energy ("the Union") present their Operating Report on the Union for the year ended 31 December 2009.

Board of Management

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

Name	Position	Period of Appointment
Mr A Drew	District President	1/1/2009 to 31/12/2009
Ms L Usher	District Secretary	1/1/2009 to 31/12/2009
Mr W De Vecchis	Vice President	1/1/2009 to 31/12/2009
Mr R Fuller	Vice President	1/1/2009 to 18/08/2009
Mr S Palfrey	Vice President	1/1/2009 to 31/12/2009
Mr J Porter	Vice President	1/1/2009 to 31/12/2009
Mr L Gleeson	Board of Management	1/1/2009 to 31/12/2009
Mr R Chapman	Board of Management	1/1/2009 to 31/12/2009
Mr M Connor	Board of Management	1/1/2009 to 31/12/2009
Mr P McGuire	Board of Management	1/1/2009 to 31/12/2009
Mr L Brydson	Board of Management	1/1/2009 to 31/12/2009
Mr M McGrath	Board of Management	1/1/2009 to 31/12/2009
Mr A Warburton	Board of Management	1/1/2009 to 31/12/2009
Mr P Samaras	Board of Management	1/1/2009 to 31/12/2009
Mr P Compton	Board of Management	1/1/2009 to 31/12/2009
Mr D Maxwell	Board of Management	1/12/2009 to 31/12/2009
Mr W Smith	Board of Management	1/7/2009 to 31/12/2009
Mr R Waters	Board of Management	18/08/2009 to 31/12/2009

Principal Activities

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

- Adherence to the rules of the District in furtherance of the objects of the Union consistent with the industrial relations legislation.
- Implementation of the decisions of the District Executive and Board 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 Fair Work Act and the Union rules.
- Media and other communications to members and to the broader local communities of the District on issues affecting the rank and file.

Results of Activities

The result for the year was a Profit of \$4,355 (2008: Profit of \$11,331). Membership contributions in the current year amounted to \$662,635 being a \$14,002 increase on last year.

The District 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 District has successfully implemented certified agreements and awards 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 2009 financial year.

Membership of the Union

There were 1,031 members of the Union as at 31 December 2009. (2008: 997)

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 Fair Work Act), namely, by providing written notice addressed and delivered to the District Secretary.

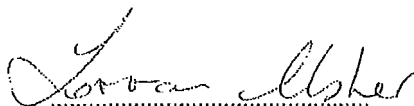
Employees of the Union

As at 31 December 2009 the Union employed 3 full time employees (2008: 3).

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.



Lorraine Usher
DISTRICT SECRETARY

Dated this 13th day of April 2010.

BOARD OF MANagements' CERTIFICATE

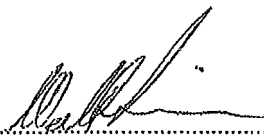
On 12th April 2010 the Board of Management of Construction, Forestry, Mining and Energy Union - Mining & Energy Division, New South Wales Energy, passed the following resolution in relation to the financial report of the Union for the year ended 31 December 2009.

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

- (a) The financial report and notes comply with 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 year ended 31 December 2009;
- (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 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 other reporting unit of the Union; 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 the Fair Work Australia or FWA in regard to inspection of the financial records under section 273 of the Fair Work (Registered Organisations) Act 2009.

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


Allen Drew
DISTRICT PRESIDENT


Walter De Vecchis
DISTRICT VICE PRESIDENT

Dated this 13th day of April 2010.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF THE CONSTRUCTION FORESTRY MINING AND ENERGY UNION
MINING AND ENERGY DIVISION – NEW SOUTH WALES ENERGY**

Report on the Financial Report

We have audited the accompanying financial report of the Construction Forestry Mining and Energy Union – Mining and Energy Division, New South Wales Energy ("the Union"), which comprises the Balance Sheet as at 31 December 2009 and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of the significant accounting policies and other explanatory notes and the Board of Management Statement.

Board of Management's Responsibility for the Financial Report

The Union's Board of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 ("the RO Act"). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Audit Responsibility

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

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

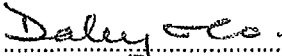
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF THE CONSTRUCTION FORESTRY MINING AND ENERGY UNION
MINING AND ENERGY DIVISION – NEW SOUTH WALES ENERGY**
Continued...

AUDIT OPINION

In our opinion, the general purpose financial report of the Construction Forestry Mining and Energy Union - Mining and Energy Division, New South Wales Energy 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 Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (b) The requirements imposed by Part 3 of Chapter 8 of the Act.


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DALEY & CO
Chartered Accountants
98 Kembla Street
Wollongong NSW 2500


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M L Gleeson
Registered Company Auditor

Dated this 13th day of April 2010.

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

	NOTES	2009 \$	2008 \$
Revenue	2	731,290	704,781
Salaries, Superannuation and On Costs		(419,962)	(388,621)
Sustentation Fees to Central Council		(177,346)	(177,346)
Delegate Expenses		(35,277)	(29,005)
Depreciation Expense		(15,329)	(12,803)
Motor Vehicle Expenses		(12,596)	(18,799)
Loss on Sale of Assets		(450)	(11,858)
Administration Costs		(55,975)	(55,018)
Donations		(10,000)	-
		<u>4,355</u>	<u>11,331</u>
Other Comprehensive Income			
Net Gain / (Loss) on Available for Sale Financial Assets	1(c)	93	(126)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,448</u>	<u>11,205</u>
Income Tax Expense	1(b)	-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS	3	<u>4,448</u>	<u>11,205</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	4	10,884	9,005
Trade and Other Receivables	5	43,404	42,804
Financial Assets	6	286,617	266,208
Other Current Assets		4,195	8,073
TOTAL CURRENT ASSETS		345,100	326,090
NON-CURRENT ASSETS			
Plant and Equipment	7	53,722	63,755
TOTAL NON-CURRENT ASSETS		53,722	63,755
TOTAL ASSETS		398,822	389,845
CURRENT LIABILITIES			
Trade and Other Payables	8	33,648	32,684
Financial Liabilities	9	63,615	65,525
Short-term Provisions	10	145,273	139,798
TOTAL CURRENT LIABILITIES		242,536	238,007
TOTAL LIABILITIES		242,536	238,007
NET ASSETS		156,286	151,838
ACCUMULATED FUNDS			
Accumulated Members' Funds		154,792	150,437
Reserves		1,494	1,401
Members' Funds		156,286	151,838

The accompanying notes form part of these financial statements.

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

	NOTE	Accumulated Funds \$	Available – for-Sale Investment Reserve \$	TOTAL \$
Opening Balance as at 1 January 2008		139,106	1,527	140,633
Profit Attributable to Members		11,331		11,331
Total Other Comprehensive Income for the Year	1(d)		(126)	(126)
Closing Balance as at 31 December 2008		150,437	1,401	151,838
Profit Attributable to Members		4,355		4,355
Total Other Comprehensive Income for the Year	1(d)		93	93
Closing Balance as at 31 December 2009		154,792	1,494	156,286

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			
Contributions Received from Members		720,953	720,017
Payments to Suppliers and Employees		(769,452)	(785,308)
Interest Received		20,396	19,501
Reimbursement of Expenses		15,153	8,081
Sitting Fees		27,735	34,854
Other Receipts		15,066	364
CASH FLOW PROVIDED BY (USED IN) OPERATING ACTIVITIES	15(a)	<u>29,851</u>	<u>(2,491)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
(Payments) / Proceeds for Investments		(20,316)	20,763
Proceeds from Sale of Property, Plant and Equipment		-	37,727
Payments for Property, Plant and Equipment		(5,746)	(68,529)
CASH FLOW USED IN INVESTING ACTIVITIES		<u>(26,062)</u>	<u>(10,039)</u>
NET INCREASE / (DECREASE) IN CASH HELD		3,789	(12,530)
CASH AT THE BEGINNING OF THE YEAR		<u>(56,520)</u>	<u>(43,990)</u>
CASH AT THE END OF THE YEAR	15(b)	<u>(52,731)</u>	<u>(56,520)</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 ACCOUNTING POLICIES

The financial report covers the Construction Forestry Mining and Energy Union – Mining & Energy Division, New South Wales Energy ("the Union") as an individual entity. The Union is an organisation of employees registered under the Fair Work Act, 2009 ("the Act"). 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. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis, except where specifically stated, and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) PROPERTY, PLANT 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.

Depreciation

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

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

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(a) PROPERTY, PLANT & EQUIPMENT CONTINUED

Depreciation

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

Class of Fixed Asset	Depreciation Rate
Furniture, Fittings and Equipment	7.5 - 20%
Motor Vehicles	15%

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 carrying amount is greater than its estimated recoverable amount.

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

(b) INCOME TAX

No provision for Income Tax is necessary as the Industrial Trade Unions are exempt from Income Tax under Section 50-15 of the Income Tax Assessment Act.

(c) 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.

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued

(c) FINANCIAL INSTRUMENTS CONTINUED

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.

(d) 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.

(e) EMPLOYEE BENEFITS

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

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

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued

(f) 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.

(g) 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.

(h) REVENUE

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

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

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

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

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

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

(i) 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.

(j) COMPARATIVE FIGURES

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

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued

(k) 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, New South Wales Energy District.

- **AASB 101: Presentation of Financial Statements**

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

Disclosure impact

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

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

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

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

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

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued

(l) New Accounting Standards for Application in Future Periods

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

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

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

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

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

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

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

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

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

	2009	2008
	\$	\$
2. REVENUE		
Contributions and Levies	662,635	648,633
Interest Received	11,436	20,722
Sitting Fees	27,735	27,716
Donations Received	10,000	-
Other Income	19,484	7,710
	<u>731,290</u>	<u>704,781</u>
3. RESULT FOR THE YEAR		
Included in the result for the year are the following specific expenses:-		
Remuneration of Auditors		
- Auditing of Financial Report	4,000	4,000
- Other Services	4,802	2,894
4. CASH AND CASH EQUIVALENTS		
Cash on Hand	300	300
Cash at Bank	10,584	8,705
	<u>10,884</u>	<u>9,005</u>
5. TRADE AND OTHER RECEIVABLES		
Current		
Accounts Receivable	42,782	33,222
Accrued Interest	622	9,582
	<u>43,404</u>	<u>42,804</u>

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

	2009 \$	2008 \$
6. FINANCIAL ASSETS		
Current		
Held to Maturity Financial Assets	283,941	263,625
Available for Sale Financial Assets	<u>2,676</u>	<u>2,583</u>
	<u>286,617</u>	<u>266,208</u>
(a) Held to maturity Financial Assets Comprise:		
Term Deposits and Bank Bills held with Financial Institutions.	<u>283,941</u>	<u>263,625</u>
(b) Available for Sale Financial Assets Comprise:		
Shares in Listed Corporations -- at Fair Value	<u>2,676</u>	<u>2,583</u>
<p>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.</p>		
7. PROPERTY, PLANT AND EQUIPMENT		
Furniture, Fittings and Equipment		
• At Cost	13,925	15,026
• Accumulated Depreciation	<u>(8,998)</u>	<u>(13,772)</u>
	<u>4,927</u>	<u>1,254</u>
Motor Vehicles		
• At Cost	68,529	68,529
• Accumulated Depreciation	<u>(19,734)</u>	<u>(6,028)</u>
	<u>48,795</u>	<u>62,501</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>53,722</u>	<u>63,755</u>

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

	2009	2008
	\$	\$
7. PROPERTY, PLANT AND EQUIPMENT CONTINUED...		

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.

	FURNITURE, FITTINGS & EQUIPMENT \$	MOTOR VEHICLES \$	TOTAL \$
Balance at Start of Year	1,254	62,501	63,755
Additions	5,746	-	5,746
Disposals – Assets	(6,847)	-	(6,847)
Depreciation Expense	(1,623)	(13,706)	(15,329)
Disposals – Accum Dep'n	6,397	-	6,397
Balance at End of Year	<u>4,927</u>	<u>48,795</u>	<u>53,722</u>

8. TRADE AND OTHER CREDITORS

Current

Creditors and Accruals	<u>33,648</u>	<u>32,684</u>
Amount(s) relating to: -		
• CFMEU – Mining & Energy Division	<u>-</u>	<u>-</u>
• CFMEU – Mining & Energy Division – Nth District	<u>440</u>	<u>440</u>

9. FINANCIAL LIABILITIES

Bank Overdraft	<u>63,615</u>	<u>65,525</u>
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As at year end, the bank statement balance is actually in funds with the overdraft being caused by unrepresented cheques. There is no overdraft facility in place and the overdraft is unsecured.

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

	2009	2008
	\$	\$
10. PROVISIONS		
	<i>Provision for Annual Leave \$</i>	<i>Provision For LSL \$</i>
		TOTAL \$
Opening balance at 1 January	120,570	19,228
Additional provisions	48,965	4,000
Amounts used	(47,490)	-
Balance at 31 December	<u>122,045</u>	<u>23,228</u>
		<u>145,273</u>
(a) Analysis of ageing of provisions		
Current	145,273	139,798
Non Current	-	-
	<u>145,273</u>	<u>139,798</u>
(b) Total Employee Benefits Attributable to:		
Office Holders	112,253	109,193
Staff	33,020	30,605
	<u>145,273</u>	<u>139,798</u>

11. 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

12. 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 13th day of April 2010 by the Board of Management.

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

13. RELATED PARTY INFORMATION

MEMBERS OF THE BOARD OF MANAGEMENT

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

DISTRICT EXECUTIVES

- | | |
|------------------------------------|---|
| ➤ Mr A Drew (District President) | ➤ Mr J Porter (Vice President) |
| ➤ Ms L Usher (District Secretary) | ➤ Mr S Palfrey (Vice President) |
| ➤ Mr W De Vecchis (Vice President) | ➤ Mr R Fuller (Vice President – Resigned 18/8/2009) |

DISTRICT BRANCH COUNCILORS

- | | |
|------------------|-------------------------------------|
| ➤ Mr L Gleeson | ➤ Mr P McGuire |
| ➤ Mr A Warburton | ➤ Mr R Chapman |
| ➤ Mr L Brydson | ➤ Mr P Compton |
| ➤ Mr M McGrath | ➤ Mr D Maxwell |
| ➤ Mr P Samaras | ➤ Mr R Waters (appointed 18/8/2009) |
| ➤ Mr M Connor | ➤ Mr W Smith |

(a) RELATED PARTY TRANSACTIONS

- i) Office space was rented from Construction, Forestry Mining and Energy Union – Mining and Energy Division during the year. Commercial rent totaling \$12,000 (2008: \$12,000) was paid during the year.
- ii) Office space was rented from Construction, Forestry Mining and Energy Union – Mining and Energy Division, Northern District during the year. Commercial rent totaling \$5,200 (2008: \$5,200) was paid during the year.
- iii) Sustainment fees totaling \$177,346 (2008: \$177,346) were charged by the Construction, Forestry, Mining and Energy Union – Mining and Energy Division during the year.

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

	2009	2008
	\$	\$
14. KEY MANAGEMENT PERSONNEL COMPENSATION		
Total Compensation		
- Short Term Benefits	298,703	282,474
- Post Employment Benefits	63,288	65,128
- Termination Benefits	2,600	2,650
	<u>364,591</u>	<u>330,252</u>
15. CASH FLOW INFORMATION		
(a) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH RESULT		
Operating Profit (Loss) for the Year	4,355	11,331
Non Cash Items:		
Depreciation	15,329	12,803
Loss on Disposal of Property, Plant and Equipment	450	11,858
Changes in Assets and Liabilities		
(Increase) Decrease in Accounts Receivable	(600)	9,423
Increase in Other Current Assets	3,878	(1,222)
Increase (Decrease) in Accounts Payable	964	(2,519)
Increase (Decrease) in Provisions	5,475	(44,165)
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>29,851</u>	<u>(2,491)</u>
(b) Reconciliation of Cash		
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to items in the Balance Sheet as follows:		
Cash and Cash Equivalents [Note 4]	10,884	9,005
Bank Overdraft [Note 9]	(63,615)	(65,525)
	<u>(52,731)</u>	<u>(56,520)</u>
(c) Net cash flows (excluding GST) relating to another reporting units of the Union are as follows:		
CFMEU – Mining & Energy Division	(135,077)	(143,465)
CFMEU – Mining & Energy Division – Nth District	(5,200)	(5,200)
CFMEU – Construction & General Division	(5,827)	(1,520)

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

16. FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

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

The Board 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.

	2009 \$	2008 \$
Financial Assets		
Cash and cash equivalents	10,884	9,005
Held to Maturity Financial Assets	283,941	263,625
Available-for-sale financial assets		
- Shares in Listed Corporations - at fair value	2,676	2,583
Trade and other receivables	43,404	42,804
	<u>340,905</u>	<u>318,017</u>
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	33,648	32,684
- Borrowings	63,615	65,525
	<u>97,263</u>	<u>98,209</u>

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 5.

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 5.

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**

16. FINANCIAL RISK MANAGEMENT

Continued

(a) Credit risk

Continued

Credit risk related to balances with banks and other financial institutions is managed by the Board of Management. Board policy requires that surplus funds are only invested only invested with approved deposit taking institutions (ie. Credit Unions). 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			
- Approved Deposit taking Institutions	4	10,884	9,005
Held to Maturity Securities	6	283,941	263,625

(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				
Borrowings	63,615	-	-	63,615
Trade & Other Payables	33,648	-	-	33,648
Total Financial Liabilities	97,263	-	-	97,263
At 31 December 2008				
Financial liabilities				
Borrowings	65,525	-	-	65,525
Trade & Other Payables	32,684	-	-	32,684
Total Financial Liabilities	98,209	-	-	98,209

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

16. 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%	2,309	2,723
— Decrease in interest rate by 1%	(2,309)	(2,723)
Change in equity		
— Increase in interest rate by 1%	2,309	2,723
— Decrease in interest rate by 1%	(2,309)	(2,723)

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**

17. 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.

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

	2009	2008
	\$	\$
Financial liabilities	63,615	65,525
Trade and other payables	33,648	32,684
Total	97,263	98,209
Less: Cash and cash equivalents	(10,884)	(9,005)
Less: Held to Maturity Investments	(283,941)	(263,625)
Net debt	-	-
Total equity	156,286	151,838
Total capital	156,286	151,838
Gearing ratio	Nil	Nil

18. 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**

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

In accordance with the requirements of Section 255 of the RO Act, the following necessary disclosures are made:

	2009	2008
	\$	\$
i) ITEMS OF REVENUE		
Donations or Grants Income	10,000	-
ii) ITEMS OF EXPENSE		
Affiliation fees/subscriptions to organisations with an interest in industrial matters.	3,711	3,694
Donations or Grant Expenses:		
• UnitingCare Casino Transport Team	10,000	-
• General (Individually less than \$1,000)	-	-
	10,000	-
Employee Benefits Expense:		
- Office Holders	343,287	354,402
- Employees (Other than Office Holders)	48,004	55,872
	391,291	410,274
Attendance Fees/Allowances – Conferences and Meetings	21,707	18,705
Expenses incurred in connection with meetings of members, councils, committees and panels to other bodies for which the Union was wholly or partly responsible.	13,570	10,300

11 January 2010

Ms Lorraine Usher
Secretary, New South Wales Energy District Branch
Construction, Forestry, Mining and Energy Union
1st Floor, 365 Sussex Street
SYDNEY NSW 2000



Fair Work
Australia



Dear Ms Usher

**Lodgment of Financial Statements and Accounts –
New South Wales Energy District Branch, Mining & Energy Division - for year ended 31 December 2009
(FR2009/10250)**

The financial year of the New South Wales Energy District Branch 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
Level 8, 80 William Street
EAST SYDNEY NSW 2011

Telephone: (02) 8374 6666/ Mobile :
0429 462 979
Facsimile: (02)9380 6990
Email : stephen.kellett@fwa.gov.au
Internet : www.fwa.gov.au