



FAIR WORK
AUSTRALIA

21 May 2012

Ms Gail Gorman
Administration Manager, South Australian Construction and General Divisional Branch
Construction, Forestry, Mining and Energy Union
Level 1, 32 South Terrace
ADELAIDE SA 5000



Dear Ms Gorman

Lodgment of Financial Accounts and Statements - Construction, Forestry, Mining and Energy Union, Construction and General Division, South Australian Branch - for year ending 31 December 2011 (FR2011/2828)

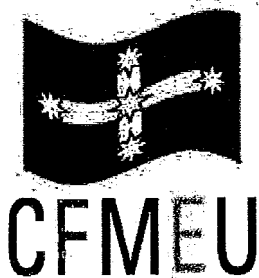
Thank you for lodging the abovementioned financial accounts and statements which were received by Fair Work Australia on 17 May 2012.

The documents have been filed. However I draw your attention to the following.

The Committee of Management Statement was not dated as such. Whilst it referred to the resolution passed on 11 April 2012, and it would appear certain that it was signed on that date, as a matter of form, it should in future be dated with date it is signed. I would appreciate it if you could bring this to the attention of the Secretary, or other officer(s) responsible.

Yours sincerely,

Stephen Kellett
Organisations, Research and Advice Branch
Fair Work Australia



Construction Forestry Mining & Energy Union

Level 1, 32 South Tce Adelaide SA 5000

P: 8231 5532 F: 2831 3822

ABN 71 560 759 083

queries@sa.cfmeu.asn.au

www.cfmeu.asn.au

Fair Work Australia
Level 8, Terrace Tower
80 William Street
East Sydney 2011

By email to RIASydney@fwa.gov.au



17th May 2012

Re: Financial Statements and Accounts

Dear Sir/Madam,

Please find enclosed 2011 Audited Accounts for the

CFMEU Construction & General Division SA Branch & Certificate (Section 268)

If you require any further information please contact the writer.

Yours faithfully,

Gail Gorman (Ms)
Administration Manager
Email: ggorman@sa.cfmeu.asn.au

Construction, Forestry, Mining and Energy Union

**(Construction and General Division
South Australian Branch)**

FOR THE YEAR ENDED 31 DECEMBER 2011

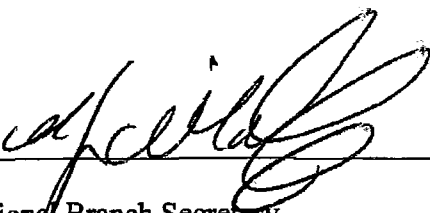
Fair Work (Registered Organisations) Act 2009

Section 268

DESIGNATED OFFICER'S CERTIFICATE

I, Martin O'Malley, being the Secretary of the Construction Forestry Mining & Energy Union, Construction & General Division, South Australian 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 the 11th of April 2012, and
- that the full report was presented to a meeting of the Divisional Branch Management Committee of the reporting unit on the 9th May 2012 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.



Divisional Branch Secretary
CFMEU
Construction & General Division
South Australian Branch

11th May 2012

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

CONSTRUCTION & GENERAL DIVISION SOUTH AUSTRALIAN BRANCH

**FINANCIAL REPORT FOR THE
YEAR ENDED 31ST DECEMBER, 2011**

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Prepared by:

**Major, May & Associates
Chartered Accountants**

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CONSTRUCTION, FORESTRY, MINING & ENERGY UNION CONSTRUCTION & GENERAL DIVISION - SA BRANCH

OPERATING REPORT FOR THE YEAR ENDED 31ST DECEMBER 2011

Principal Activities

CFMEU, Construction & General Division – SA Branch (“the Union”) is committed to advancing the wages, conditions and well-being of its membership.

The Union’s principal activities during the year were:

- Joining up new members.
- Representation of members and others on the job.
- Union-negotiated collective agreements.
- Assisting members with legal representation.
- Facilitating access to training courses.
- Keeping members informed via meetings and newsletters.
- Sale of products to union members.
- Representing members and other workers through Tri-partite and Bi-partite key Government and Industry Committees.
- Pursuing the objectives of the organisation as prescribed by Rule 4, Objects of the CFMEU.

Financial Affairs

There were no significant changes to the Union’s financial affairs during the year.

Members’ Rights to Resign

Members have the right to resign from the Union in accordance with section 174 of the Fair Work (Registered Organisations) Act 2009 and Rule 11 of the Federal Rules.

Superannuation Fund Trustees

The officers and members listed below were trustees or directors of a trustee company of a Superannuation Fund as a consequence of their position with the Union:

- Nil

Number of Members

The number of members at the end of the financial year recorded in the register of members and taken to be members of the Union was 2,759 (2010: 2,702).

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION - SA BRANCH**

OPERATING REPORT FOR THE YEAR ENDED 31ST DECEMBER 2011
(CONT)

Number of Employees

The number of full-time equivalent employees of the Union at the end of the financial year was 1.

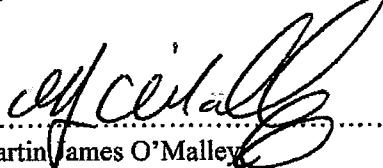
Committee of Management

The members of the Committee of Management at any time during the financial year were as follows:

Gavin Belcher	David Bolton	Steve Boyce
Aaron Cartledge	Mark Gava	Tony Jarrett
Scott Jeffs	Michael McDermott	Mark McEwen
Duncan McKay	Jack Merckx	John Nelson
Bernie O'Connor	Martin O'Malley	Tony Priddle
Darren Roberts		

All appointments were for the Period 1st January 2011 – 31st December 2011

Signed on behalf of the Committee of Management by:


.....
Martin James O'Malley
Secretary
CFMEU,
Construction and General Division, SA Branch

Date: 11th April 2012.....

**CONSTRUCTION, FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION, SA BRANCH**

COMMITTEE OF MANAGEMENT STATEMENT

On the 11th April 2012, the Committee of Management (COM) of the Union passed the following resolution to the general purpose financial report (GPFR) of the Union for the year ended 31st December, 2011.

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

- (a) the financial report and notes comply with the applicable Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (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 31st 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 31st December, 2011 and since the end of the financial year:
 - (i) meetings of the COM were held in accordance with the rules of the organisation and the rules of the COM;
 - (ii) the financial affairs of the Union have been managed in accordance with the rules of the organisation and the rules of the Union;
 - (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;
 - (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;
 - (v) no information has been sought in any request of a member of the Union or a Registrar under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.

For the Committee of Management


.....
Martin James O'Malley
Secretary

**CONSTRUCTION, FORESTRY,
MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
SOUTH AUSTRALIAN BRANCH**

**MAJOR, MAY
& ASSOCIATES**
CHARTERED ACCOUNTANTS

196 MAGILL ROAD
NORWOOD SA 5067
PO BOX 3460
NORWOOD SA 5067
TELEPHONE 08 8331 0422
FACSIMILE 08 8331 0433

TIM MAJOR
ANDREW MAY

AUDITOR'S REPORT
FOR THE YEAR ENDED 31ST DECEMBER, 2011



Report on the Financial Report

We have audited the Financial Report, being the Balance Sheet, Statement of Accumulated Funds, Income Statement, Statement of Cash Flows and Notes to and Forming Part of the Accounts, of the Construction, Forestry, Mining & Energy Union, Construction & General Division, South Australian Branch, for the year ended 31st December, 2011.

Committee's Responsibility for the Financial Report

The Committee of Management is responsible for the preparation and fair presentation of the Financial Report and has determined that the accounting policies described in Note 1 to the Financial Report, which form part of the Financial Report, are consistent with the financial reporting requirements of the Fair Work (Registered Organisations) Act 2009, and are appropriate to meet the needs of the members. The Committee's responsibilities also include establishing and maintaining internal controls relevant to the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the financial report.

The Financial Report has been prepared for distribution to members for the purpose of fulfilling the Committee's financial reporting obligations under the Fair Work (Registered Organisations) Act 2009. We disclaim any assumption of responsibility for any reliance on this report or on the Financial Report to which it relates to any person other than the members, or for any other purpose other than that for which it was prepared.

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

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
SOUTH AUSTRALIAN BRANCH**

AUDITOR'S REPORT (cont.)

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Audit Opinion

- (1) There were kept by the Branch in respect of the year ended 31st December, 2011, satisfactory accounting records detailing the sources and nature of the Income of the Branch (including Income from Members) and the nature and the purposes of Expenditure.
- (2) The attached Financial Report and Statements are properly drawn up:-
 - (a) in accordance with the Fair Work (Registered Organisations) Act 2009,
 - (b) so as to give a true and fair view of;
 - (i) the state of affairs of the Branch as at 31st December, 2011; and
 - (ii) the Income and Expenditure and Deficit of the Branch for the year ended on that date;
 - (c) in accordance with applicable Accounting Standards; and
 - (d) so as to comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Act.
- (3) We received from the Officers and Employees of the Branch all the information and explanations that we required for the purposes of our audit.

Signed at Adelaide this *11th* day of *April*, 2012.
MAJOR, MAY & ASSOCIATES
Chartered Accountants


ANDREW MAY, ACA, BA (Acc)
Registered Company Auditor
Partner

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

CONSTRUCTION & GENERAL DIVISION SOUTH AUSTRALIAN BRANCH

BALANCE SHEET as at 31st December 2011

	Note	2011 \$	2010 \$
ACCUMULATED FUNDS			
Accumulated Surplus		866,180	838,470
Trust Account		1,284	1,284
TOTAL FUNDS		\$867,464	\$839,754
These funds are represented by:-			
CURRENT ASSETS			
Petty Cash		500	500
Cash at Bank	5	304,185	160,726
Other Debtors		47,934	32,410
Interdivisional Loan Accounts		11,232	29,738
TOTAL CURRENT ASSETS		363,851	223,374
CURRENT LIABILITIES			
Sundry Creditors & Accruals		11,365	51,458
Loan from Federal Office		44,750	44,750
Provision for Annual Leave		5,163	14,588
Provision for Long Service Leave		16,037	18,773
Provision for Mortality & Funeral Benefits		-	2,400
TOTAL CURRENT LIABILITIES		77,315	131,969
NET WORKING CAPITAL		\$286,536	\$91,405
NON CURRENT ASSETS			
Loan to ABCWF		566,462	728,476
Fixed Assets	6	14,466	19,873
TOTAL NON CURRENT ASSETS		580,928	748,349
NET ASSETS		\$867,464	\$839,754
Contingent Liabilities	7		

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

**CONSTRUCTION & GENERAL DIVISION
SOUTH AUSTRALIAN BRANCH**

**STATEMENT OF ACCUMULATED FUNDS
For the year ended 31st December, 2011**

	2011 \$	2010 \$
Total Surplus/(Deficit)	27,710	(110,498)
Add Accumulated Surplus at the beginning of the Year	838,470	948,968
ACCUMULATED SURPLUS AT THE END OF THE YEAR	<u>\$866,180</u>	<u>\$838,470</u>

To be read in conjunction with the Notes to the Financial Report.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

**CONSTRUCTION & GENERAL DIVISION
SOUTH AUSTRALIAN BRANCH**

**INCOME STATEMENT
For the year ended 31st December, 2011**

	Note	2011 \$	2010 \$
INCOME			
Members' Contributions		1,024,634	981,282
Meeting Attendance		13,930	20,531
Members' Health Programme		-	17,462
Interest Received		8,985	11,062
BIRST EBA Grant		130,000	-
SafeWork SA Grant		135,000	-
Aboriginal Support Fund		11,500	-
Advertising Income		50,000	40,455
Compliance Officer Funding		25,000	-
Sundry Income		600	4,229
		<hr/>	<hr/>
TOTAL INCOME		1,399,649	1,075,021
		<hr/>	<hr/>
LESS EXPENDITURE			
Alyawarra Housing Project		-	11,748
Audit & Accountancy Fees		4,770	4,670
Bank Charges & Credit Card Fees		11,407	12,976
Building Industry Redundancy Scheme		2,080	2,080
Cleaning		7,807	9,478
Computer Expenses (incl New Cabling)		21,121	2,558
Conferences & Training		7,538	(533)
Depreciation		6,774	6,708
Donations		-	200
Entertainment & Public Relations		1,167	2,438
Fringe Benefits Tax		5,668	5,568
Insurance (General & Income Protection)		24,069	13,828
Internet Connection Fees		3,512	3,248
Legal & Other Expenses – Ark Tribe		300	66,245
Legal & Industrial Expenses		56,205	18,335
Levies		10,570	-
Light & Power		16,474	15,650
Members' Health Programme		14,963	-
Motor Vehicle Expenses		60,247	46,695
Office Expenses		6,380	11,917
Papers & Publications		1,733	2,096
Photocopier Rental		9,342	9,218
Postage & Contract Mailing		9,614	8,448
Printing & Stationery		18,598	20,062
Promotional Items		5,919	5,018
Rent		95,000	85,000
Repairs & Maintenance		2,291	1,124
Service Fees & Consulting Charges	2	696,230	554,337

To be read in conjunction with the Notes to the Financial Reports.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

CONSTRUCTION & GENERAL DIVISION SOUTH AUSTRALIAN BRANCH

INCOME STATEMENT For the year ended 31st December, 2011 (continued)

	Note	2011 \$	2010 \$
Safework SA Project Costs		959	
Subscriptions		943	200
Sundry Expenses			1,470
Sustentation & Capitation Fees	4	117,602	111,645
Telephone		26,368	26,005
Travel & Accommodation		28,552	31,778
Employment Expenses			
Salaries & Allowances – Officials		79,643	70,482
Superannuation		11,363	9,172
Workcover		1,530	1,029
Payroll Tax		8,560	7,224
Provisions for Annual & Long Service Leave		(960)	7,183
Provision for Mortality		(2,400)	-
Provision for Redundancy Entitlements		-	220
Total Employment Expenses		<u>97,736</u>	<u>95,310</u>
TOTAL EXPENDITURE		<u>1,371,939</u>	<u>1,185,520</u>
TOTAL SURPLUS/(DEFICIT)		<u>\$27,710</u>	<u>(\$110,499)</u>

To be read in conjunction with the Notes to the Financial Report.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

CONSTRUCTION & GENERAL DIVISION SOUTH AUSTRALIAN BRANCH

STATEMENT OF CASH FLOWS For the year ended 31st December, 2011

	Notes	2011 \$	2010 \$
CASH FROM OPERATING ACTIVITIES			
Members' Contributions		1,024,634	981,282
Payments to Suppliers, Employees & ATO		(1,255,231)	(1,142,285)
Grant Received from SafeWork SA		135,000	-
Grant Received from BIRST		130,000	-
Advertising Income		50,000	40,455
Meeting Attendances		13,930	20,531
Project Income Received		58,500	48,833
Project Income Expended		(22,959)	(71,304)
Other Income		600	3,078
Interest Received		8,985	11,062
NET CASH GENERATED/(USED) BY OPERATING ACTIVITIES	9	143,459	(108,348)
CASH FROM INVESTING ACTIVITIES			
Payment for Plant & Equipment		-	(18,945)
NET CASH (USED)/PROVIDED BY INVESTING ACTIVITIES		-	(18,945)
NET INCREASE/(DECREASE) IN CASH HELD		143,459	(127,293)
Cash at Beginning of Year	8	161,226	288,519
CASH AT END OF YEAR	8	\$304,685	\$161,226

To be read in conjunction with the Notes to the Financial Report.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

CONSTRUCTION & GENERAL DIVISION SOUTH AUSTRALIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT For the year ended 31st December, 2011

Note 1. Accounting Methods

Membership Contributions are accounted for on a cash basis. Otherwise, the Financial Report is prepared under the Historical Cost Convention on an accruals basis, and in accordance with the Accounting Standards jointly issued by the Australian Professional Accounting Bodies. In particular:-

- (a) The Financial Report has not been adjusted to reflect changes in the general purchasing power of the dollar or in the prices of specific assets.
- (b) Provision is made for depreciation of Fixed Assets at rates considered appropriate to the useful lives of such assets.
- (c) Provisions for Employee Benefits, in the form of Accrued Annual and Long Service Leave, have been made based on the estimated accrued entitlements of all employees on the basis of their terms of employment.

Note 2. Service Fees and Consulting Charges

On 1st September, 1996, the South Australian operations of the Workers' Divisional Branch and the Labourers' Divisional Branch of the CFMEU, Construction and General Division were amalgamated to form the CFMEU, Construction and General Division, South Australian Branch.

Assets, liabilities and the accumulated surplus of the former Workers' Divisional Branch of the CFMEU were transferred to the new Construction & General Division on that date.

Staff employed by the Australian Building & Construction Workers' Federation are utilised in the ongoing operations of the new branch, and a "Service Fee" is charged accordingly.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

CONSTRUCTION & GENERAL DIVISION SOUTH AUSTRALIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
For the year ended 31st December, 2011

Note 3. Information to be provided to Members or Registrar

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of Members is drawn to the provisions of Section 272, which read as follows:-

- “(1) A Member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit 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 reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).”

Note 4. Sustentation Fees

	2011 \$	2010 \$
C.F.M.E.U. - Federal Office	101,216	96,467
SA Unions	16,387	15,178
	<u>\$117,603</u>	<u>\$111,645</u>

Note 5. Cash at Bank

Commonwealth Bank

Cheque Account	23,198	33,720
Trust Account	4,454	4,454
Business Online Saver	276,533	122,552
	<u>\$ 304,185</u>	<u>\$ 160,726</u>

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

CONSTRUCTION & GENERAL DIVISION SOUTH AUSTRALIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
For the year ended 31st December, 2011

Note 6.	Fixed Assets	2011	2010
		\$	\$
	Office Furniture & Equipment at Cost	67,007	69,238
	Less Accumulated Depreciation	(52,541)	(49,365)
		<u>14,466</u>	<u>19,873</u>
	TOTAL FIXED ASSETS	<u>\$14,466</u>	<u>\$19,873</u>

Note 7. Contingent Liabilities

There were no Contingent Liabilities at 31st December 2011.

Note 8. Reconciliation of Cash

For the purpose of the Statement of Cash Flows, Cash includes Cash on Hand, and in At Call Deposits with Banks or Financial Institutions, net of Bank Overdrafts.

	2011	2010
	\$	\$
Cash at Bank	304,185	160,726
Cash on Hand	500	500
	<u>\$304,685</u>	<u>\$161,226</u>

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

**CONSTRUCTION & GENERAL DIVISION
SOUTH AUSTRALIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
For the year ended 31st December, 2011**

Note 9. Reconciliation of Cash Flow from Operations with Net Surplus/(Deficit)

	2011	2010
	\$	\$
Net Surplus/(Deficit)	27,710	(110,499)
Non Cash Flows in Net Surplus		
Depreciation	6,774	6,708
Employee Leave Provisions	(15,928)	1,362
Changes in Assets and Liabilities		
(Increase)/Decrease in Receivables	164,996	14,038
Increase/(Decrease) in Creditors	(40,093)	(19,957)
CASH FLOWS PROVIDED/(USED) BY OPERATIONS	<u>\$143,459</u>	<u>(\$108,348)</u>

**MAJOR, MAY
& ASSOCIATES**
CHARTERED ACCOUNTANTS

196 MAGILL ROAD
NORWOOD SA 5067
PO BOX 3480
NORWOOD SA 5067
TELEPHONE 08 8331 0422
FACSIMILE 08 8331 0433

TIM MAJOR
ANDREW MAY

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE MEMBERS OF
CONSTRUCTION, FORESTRY,
MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
SOUTH AUSTRALIAN BRANCH**

[m]²

In accordance with the requirements of Section 307C of the Corporations Act 2001, as lead auditor for the audit of the Branch for the year ended 31st December 2011, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.

Signed at Norwood, South Australia,
this 11th day of April, 2012.

MAJOR, MAY & ASSOCIATES
Chartered Accountants



ANDREW MAY
Partner
Registered Company Auditor