



FAIR WORK
AUSTRALIA

15 February 2010

Mr Greg Hardy
Secretary, Victorian District Branch
Construction, Forestry, Mining and Energy Union
PO Box 918
MORWELL VIC 3840



Dear Mr Hardy

Lodgment of Financial Statements and Accounts – Victorian District Branch. Mining and Energy Division - for year ended 31 December 2008 (FR2008/633)

Thank you for lodging the abovementioned financial statements and accounts which were received by Fair Work Australia on 5 February 2010.

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

The item "Donations or Grant Expenses" disclosed in Note 18(ii) on page 21 shows a total of \$2,156 exceeding \$1,000. In this case a separate statement under s237 of the Act should have been lodged, setting out the prescribed particulars. For your future reference I enclose the relevant extract from the Act.

Yours sincerely,

Stephen Kellett
Statutory Services Branch
Fair Work Australia

237 Organisations to notify particulars of loans, grants and donations

(1) An organisation must, within 90 days after the end of each financial year (or such longer period as the Registrar allows), lodge in the Industrial Registry a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 made by the organisation during the financial year.

Note: This subsection is a civil penalty provision (see section 305).

(2) A statement lodged in the Industrial Registry under subsection (1) must be signed by an officer of the organisation.

(6) The relevant particulars, in relation to a grant or donation made by an organisation, are:

(a) the amount of the grant or donation; and

(b) the purpose for which the grant or donation was made; and

(c) except where the grant or donation was made to relieve a member of the organisation, or a dependant of a member of the organisation, from severe financial hardship—the name and address of the person to whom the grant or donation was made.

Designated Officer's Certificate

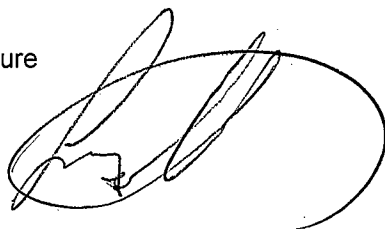
s268 *Fair Work (Registered Organisations) Act 2009*

Lodgement of Financial Statements and Accounts for year ended 31 December 2008
(FR2008/633)

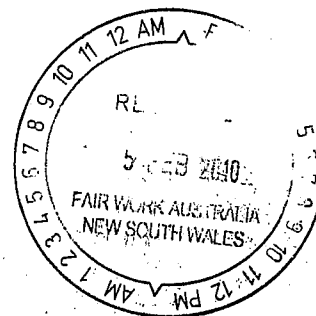
I Greg Hardy, being the District Secretary of the Construction, Forestry, Mining and Energy Union, Mining and Energy Division, Victorian District Branch certify:

- that the document lodged herewith is a copy 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 30 May 2009; and
- that the full report was presented to a general meeting of members of the reporting unit on 19 June 2009; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature



Date: 2 Feb 2010





**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
MINING AND ENERGY DIVISION
VICTORIAN DISTRICT BRANCH**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008**

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OPERATING REPORT

Your Board of Management of the Construction Forestry Mining and Energy Union – Mining and Energy Division – Victorian District (“the Union”) present their Operating Report on the Union for the year ended 31 December 2008.

Board of Management

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

Name	Position	Period of Appointment
Luke van der Meulen	District President	01/01/2008 to 31/12/2008
Greg Hardy	District Secretary	01/01/2008 to 31/12/2008
Graeme Middlemiss	District Vice President	01/01/2008 to 31/12/2008
Trevor Birkbeck	Board of Management	01/01/2008 to 31/12/2008
Stephen Groen	Board of Management	01/01/2008 to 14/04/2008
Gerry Ypelaan	Board of Management	15/04/2008 to 31/12/2008
Steven Sanders	Board of Management	01/01/2008 to 31/12/2008
Stuart Sceney	Board of Management	01/01/2008 to 31/12/2008
Stuart Caines	Board of Management	01/01/2008 to 31/12/2008
Stuart Blanch	Board of Management	01/01/2008 to 31/12/2008
George Rappold	Board of Management	01/01/2008 to 24/05/2008
Bryan Walsh	Board of Management	25/05/2008 to 31/12/2008
Wayne Draper	Board of Management	14/07/2008 to 31/12/2008
Brett Leighton	Board of Management	14/07/2008 to 31/12/2008

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 Committee of Management.
- Implementation of the Union’s organising agenda, including assistance and advice on organising site projects, training and development of officials and planning and resourcing campaigns.
- Industrial support including assistance with legal and legislative matters.
- The administration and variation of federal and state awards.
- Negotiation and registration of certified industrial instruments on behalf of members consistent with the objects of the Workplace Relations Act and the Union rules.
- Media and other communications to members and to the broader local communities of the District on issues affecting the rank and file.
- Monitoring and improving the health and safety of members.

Results of Activities

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 and power industries.

The result for the year was a profit of \$12,650 (2007: Loss of \$3,875). Membership contributions in the current year amounted to \$753,981 being a \$119,711 increase on last year.

The District has successfully implemented industrial agreements for the benefits of members.

OPERATING REPORT

continued

Significant Changes in Nature of Activities

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

Significant Changes in Financial Affairs

Significant changes in the financial affairs of the Union include a rise in income from contributions and levies during the year of 18% as a consequence of an increase in members and a full financial year impact of the 2007 membership rate increases.

Membership of the Union

There were 1,285 members of the Union as at 31 December 2008. (2007: 1,196)

Rights of Members to Resign

All members of the Union have the right to resign in accordance with Rule 5 (d) of the Union Rules (and section 174 of the Workplace Relations Act), namely, by providing written notice addressed and delivered to either the District Secretary, or a Lodge Secretary or authorised delegate.

Employees of the Union

As at 31 December 2008 the Union employed 4 full time employees. (2007: 4)

Superannuation Trustees

Mr B Walsh being a Board of Management member of the Union and holds a directorship of Equipsuper Superannuation Fund.

No other 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.


.....
Greg Hardy
DISTRICT SECRETARY

Dated this 31st day of March 2009.

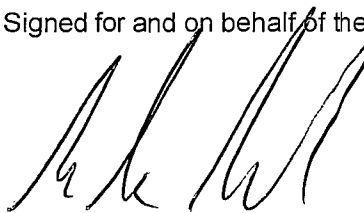
BOARD OF MANAGEMENT STATEMENT

On 31st March 2009 the Board of Management of Construction, Forestry, Mining and Energy Union - Mining and Energy Division – Victorian District ("the Union"), passed the following resolution in relation to the financial report of the Union for the year ended 31 December 2008.

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

- (i) The financial report and notes comply with Australian Accounting Standards;
- (ii) The financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (iii) 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 2008;
- (iv) 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
- (v) 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 RAO Schedules and the RAO Regulations; 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 RAO Schedule; and
 - (vi) No orders have been made by the Commission in regard to inspection of the financial records under section 273 of the RAO Schedule.

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



Luke van der Meulen
DISTRICT PRESIDENT



Graeme Middlemiss
DISTRICT VICE PRESIDENT

Dated this 31st day of March 2009.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF THE CONSTRUCTION FORESTRY MINING AND ENERGY UNION
MINING AND ENERGY DIVISION – VICTORIAN DISTRICT**

Report on the Financial Report

We have audited the accompanying financial report of the Construction Forestry Mining and Energy Union – Mining and Energy Division – Victorian District (“the Union”), which comprises the Balance Sheet as at 31 December 2008 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 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996. 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.

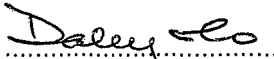
**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF THE CONSTRUCTION FORESTRY MINING AND ENERGY UNION
MINING AND ENERGY DIVISION – VICTORIAN DISTRICT
Continued...**

AUDIT OPINION

In our opinion, the general purpose financial report of the Construction Forestry Mining and Energy Union – Mining and Energy Division – Victorian District is in accordance with:

- (a) The Workplace Relations Act 1996, including:
 - (i) Giving a true and fair value of the Union's financial position as at 31 December 2008 and of its performance for the year ended on that date; and
 - (ii) Complying with Accounting Standards (including the Australia Accounting Interpretations); and

- (b) The requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Act.


.....
DALEY & CO
Chartered Accountants
98 Kembla Street
Wollongong NSW 2500


.....
M L Gleeson
Registered Company Auditor

Dated this 31st day of March 2009.

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	NOTE	2008 \$	2007 \$
Revenue	2	901,589	722,727
Unexpended Grant Income		(15,861)	-
Employee Benefits Expense		(409,701)	(327,791)
Depreciation Expense		(38,138)	(28,831)
Sustentation Fees		(227,328)	(212,871)
Operating Expenditure		(146,503)	(155,640)
Doubtful Debts Provision		(43,616)	-
Loss on Disposal of Property, Plant & Equipment		(7,792)	(1,469)
NET RESULT BEFORE INCOME TAX		<u>12,650</u>	<u>(3,875)</u>
Income Tax Expense	1(b)	-	-
NET RESULT ATTRIBUTABLE TO MEMBERS	3	<u>12,650</u>	<u>(3,875)</u>

The accompanying notes form part of these financial statements.

**BALANCE SHEET
AS AT 31 DECEMBER 2008**

	NOTES	2008 \$	2007 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	360,490	318,309
Trade and Other Receivables	5	86,092	57,830
Other Current Assets		10,188	5,917
TOTAL CURRENT ASSETS		<u>456,770</u>	<u>382,056</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	458,958	431,890
TOTAL NON-CURRENT ASSETS		<u>458,958</u>	<u>431,890</u>
TOTAL ASSETS		<u>915,728</u>	<u>813,946</u>
CURRENT LIABILITIES			
Trade and Other Payable	7	105,288	47,945
Short-term Provisions	8	63,110	63,467
Other Current Liabilities	9	82,427	50,281
TOTAL CURRENT LIABILITIES		<u>250,825</u>	<u>161,693</u>
TOTAL LIABILITIES		<u>250,825</u>	<u>161,693</u>
NET ASSETS		<u>664,903</u>	<u>652,253</u>
MEMBERS' FUNDS			
Accumulated Members Funds		<u>664,903</u>	<u>652,253</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008**

	NOTE	2008 \$	2007 \$
Opening Balance as at 1 January		652,253	656,128
Net Result Attributable to Members		12,650	(3,875)
Closing Balance as at 31 December		<u>664,903</u>	<u>652,253</u>
Represented by:			
• General Fund		555,619	542,969
• Health & Safety Representative Support Program		-	-
• Campaign Fund		109,284	109,284
		<u>664,903</u>	<u>652,253</u>

The accompanying notes form part of these financial statements.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	NOTES	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		779,414	694,851
Interest Received		26,189	14,741
Rents Received		46,607	42,804
Grants Received		77,000	-
Other Income		10,347	32,066
Payments to Suppliers and Employees		(824,378)	(719,769)
NET CASH PROVIDED BY OPERATING ACTIVITIES	12	<u>115,179</u>	<u>64,693</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(102,998)	(8,118)
Proceeds from Sale of Property, Plant and Equipment		30,000	-
NET CASH USED IN INVESTING ACTIVITIES		<u>(72,998)</u>	<u>(8,118)</u>
NET INCREASE IN CASH HELD		42,181	56,575
CASH AT THE START OF THE FINANCIAL YEAR		318,309	261,734
CASH AT THE END OF THE FINANCIAL YEAR	4	<u><u>360,490</u></u>	<u><u>318,309</u></u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers the Construction Forestry Mining and Energy Union – Mining and Energy Division – Victorian District (“the Union”) as an individual entity. The Union is an organisation of employees registered under the Workplace Relations Act, 1996 (“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 Schedule 1 of the Workplace Relations Act, 1996.

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 company 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 2008**

1. STATEMENT OF SIGNIFICANT 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
Buildings	2.50%
Furniture, Fittings and Equipment	7.50 - 20%
Motor Vehicles	20%

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 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 profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss 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 2008**

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 Income Statement.

(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 income statement.

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 company 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 an employee superannuation fund and are charged as expenses when incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

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 2008**

	2008 \$	2007 \$
2. REVENUE		
<i>Revenue</i>		
Contributions	753,981	634,270
Interest Received	18,996	19,786
Rents Received	37,150	36,020
Grants Received	81,950	-
Refunds/Reimbursements	9,512	32,651
	<u>901,589</u>	<u>722,727</u>
3. RESULT FOR THE YEAR		
Loss on Sale of Property, Plant & Equipment	7,792	1,469
Doubtful Debts Provision	43,616	-
Remuneration of Auditors		
- Auditing the Financial Report	7,200	7,480
- Accounting & Taxation Services	1,620	5,860
	<u>8,820</u>	<u>13,340</u>
4. CASH AND CASH EQUIVALENTS		
Cash on Hand	410	277
Cash at Bank/Credit Unions		
• General Account	47,450	12,044
• Health & Safety Representative Account	20,462	-
• Term Deposit	292,168	305,988
	<u>360,490</u>	<u>318,309</u>
5. TRADE AND OTHER RECEIVABLES		
Current		
Contributions Receivable	38,059	35,229
Other Debtors	91,649	14,573
Interest Receivable	-	8,028
Provision for Doubtful Debt	(43,616)	-
	<u>86,092</u>	<u>57,830</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 \$	2007 \$
6. PROPERTY, PLANT AND EQUIPMENT		
LAND AND BUILDINGS		
• At Cost	387,081	384,196
• Accumulated Depreciation	(22,542)	(13,110)
	<u>364,539</u>	<u>371,086</u>
OFFICE EQUIPMENT		
• At Cost	50,699	38,388
• Accumulated Depreciation	(24,244)	(16,916)
	<u>26,455</u>	<u>21,472</u>
MOTOR VEHICLES		
• At Cost	85,196	64,552
• Accumulated Depreciation	(17,232)	(25,220)
	<u>67,964</u>	<u>39,332</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u><u>458,958</u></u>	<u><u>431,890</u></u>

Movements In Carrying Amounts

Movements in the carrying amounts (written down values) for each class of property, plant and equipment between the start and end of the current financial year.

	LAND & BUILDINGS	OFFICE EQUIPMENT	MOTOR VEHICLES	TOTAL
Balance at Start of Year	371,086	21,472	39,332	431,890
Additions	2,885	14,917	85,196	102,998
Disposals – Assets	-	(2,606)	(64,552)	(67,158)
Depreciation Expense	(9,432)	(9,322)	(19,384)	(38,138)
Disposals – Accum Dep'n	-	1,994	27,372	29,366
Balance at End of Year	<u>364,539</u>	<u>26,455</u>	<u>67,964</u>	<u>458,958</u>

	2008 \$	2007 \$
7. TRADE AND OTHER PAYABLE		
Creditors and Accruals	<u>105,288</u>	<u>47,945</u>
<i>Amounts Relating to:-</i>		
CFMEU – Mining & Energy Division	<u>27,148</u>	<u>12,903</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

8. PROVISIONS

	<i>Provision for Annual Leave</i>	<i>Other Employee Entitlements</i>	TOTAL
	\$	\$	\$
Opening balance at 1 January 2008	40,025	23,442	63,467
Additional provisions	29,090	14,210	43,300
Amounts used	(30,228)	(13,429)	(43,657)
Balance at 31 December 2008	<u>38,887</u>	<u>24,223</u>	<u>63,110</u>

	2008	2007
	\$	\$
(a) Analysis of ageing of provisions		
Current	<u>63,110</u>	<u>63,467</u>
(b) Total Employee Benefits Attributable to:		
Office Holders	56,676	47,465
Staff	<u>6,434</u>	<u>16,002</u>
	<u>63,110</u>	<u>63,467</u>

9. OTHER LIABILITIES

Income in Advance	43,516	50,281
Grants in Advance	23,050	-
Unexpended Grant Income	<u>15,861</u>	<u>-</u>
	<u>82,427</u>	<u>50,281</u>

10. 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: Lignite Court, Morwell, Victoria 3840.

11. 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 31st March 2009 by the Board of Management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
12. CASH FLOW INFORMATION		
RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH RESULT		
Result	12,650	(3,875)
Non Cash Items		
• Depreciation	38,138	28,831
• Loss on Sale of Fixed Assets	7,792	1,469
• Doubtful Debts Provision	43,616	-
Changes in Assets and Liabilities		
Increase in Receivable	(71,878)	(14,184)
Increase in Prepayments	(4,271)	(475)
Increase (Decrease) in Accounts Payable	57,343	22,318
Increase (Decrease) in Provisions	(357)	7,402
Increase in Income in Advance	16,285	23,207
Increase in Unexpended Grant Income	15,861	-
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	<u>115,179</u>	<u>64,693</u>

13. KEY MANAGEMENT PERSONNEL COMPENSATION

Total Compensation		
- Short Term Benefits	232,247	193,645
- Post Employment Benefits	24,510	18,612
- Long Term Benefits	-	-
	<u>256,757</u>	<u>212,257</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

14. RELATED PARTY INFORMATION

(a) MEMBERS OF THE BOARD OF MANAGEMENT

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

➤ Luke van der Meulen	(District President)
➤ Greg Hardy	(District Secretary)
➤ Graeme Middlemiss	(District Vice President)
➤ Trevor Birkbeck	(Board of Management)
➤ Stephen Groen	(Board of Management)
➤ Gerry Ypelaan	(Board of Management)
➤ Steve Sanders	(Board of Management)
➤ Stuart Sceney	(Board of Management)
➤ Stuart Caines	(Board of Management)
➤ Stuart Blanch	(Board of Management)
➤ George Rappold	(Board of Management)
➤ Bryan Walsh	(Board of Management)
➤ Wayne Draper	(Board of Management)
➤ Brett Leighton	(Board of Management)

(b) RELATED PARTY TRANSACTIONS

Other related parties

- i) Sustentation fees totaling \$227,328 (2007: \$212,871) were charged by the Construction, Forestry, Mining and Energy Union – Mining and Energy Division during the year.
- (ii) Salary & Wages totaling \$16,830 (2007: nil) were paid during the year to a relative of an elected official for the provision of secretarial services on a part-time basis. Terms and conditions were within a normal employee relationship and no more favourable than those made available to other employees.

15. FINANCIAL RISK MANAGEMENT

(a) 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 2008.

Financial Risk Exposures and Management

The main risks the Union is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

i. Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Union to cash flow interest risk. The Union's Investment Policy requires it to manage interest rate risk by adopting an appropriate mix of fixed and variable rate instruments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

15. FINANCIAL RISK MANAGEMENT

Continue

ii. Liquidity risk

The Union manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

iii. Credit risk

The maximum exposure to credit risk at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Union does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Union.

There are no material amounts of collateral held as security at 31 December 2008.

Credit risk is managed by the Union and reviewed regularly by the Board of Management. It arises from exposures to members as well as through deposits with financial institutions.

The Union monitors the credit risk by actively assessing the rating quality and liquidity of counterparties:

- Approved deposit taking institutions (ie. Credit Unions) are utilised.

(b) Financial Instruments Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

2008	WEIGHTED AVERAGE EFFECTIVE INTEREST RATES	FLOATING INTEREST RATE	FIXED INTEREST RATE MATURING		NON INTEREST BEARING	TOTAL
			WITHIN 1 YEAR	BETWEEN 1 & 5 YEARS		
	%	\$	\$	\$	\$	\$
Financial Assets						
Cash	3.53	360,080	-	-	410	360,490
Receivables	-	-	-	-	86,092	86,092
Total Financial Assets		<u>360,080</u>	<u>-</u>	<u>-</u>	<u>86,502</u>	<u>446,582</u>
Financial Liabilities						
Trade & Sundry Creditors	-	-	-	-	105,288	105,288
Total Financial Liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>105,288</u>	<u>105,288</u>
2007						
Financial Assets						
Cash at Bank	5.39	318,032	-	-	-	318,032
Receivables	-	-	-	-	57,830	57,830
Total Financial Assets		<u>318,032</u>	<u>-</u>	<u>-</u>	<u>57,830</u>	<u>375,862</u>
Financial Liabilities						
Trade & Sundry Creditors	-	-	-	-	47,945	47,945
Total Financial Liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>47,945</u>	<u>47,945</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

15. FINANCIAL RISK MANAGEMENT

Continued

(c) Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Sensitivity analysis

(i) Interest rate risk

The Union has performed a sensitivity analysis relating to its exposure to interest rate risk and price risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in these risks.

As at 31 December 2008, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2008 \$	2007 \$
Change in profit		
— Increase in interest rate by 1%	3,601	3,180
— Decrease in interest rate by 1%	(3,601)	(3,180)
Change in equity		
— Increase in interest rate by 1%	3,601	3,180
— Decrease in interest rate by 1%	(3,601)	(3,180)

16. CAPITAL MANAGEMENT

Management controls the capital of the Union in order to maintain a good debt to equity ratio and to ensure that the Union can fund its operations and continue as a going concern.

All debt in the Balance Sheet is interest-free and is not entered into with the view of managing the capital of the Union. At entering into the loan agreements, the funds received are set aside in highly liquid cash and investment accounts, as shown below.

The gearing ratios for the years ended 31 December 2008 and 31 December 2007 are as follows:

	2008 \$	2007 \$
Financial liabilities	-	-
Trade and other payables	105,288	47,945
Total	105,288	47,945
Less: Cash and cash equivalents	(360,490)	(318,032)
Net debt	-	-
Total equity	664,903	652,253
Total capital	664,903	652,253
Gearing ratio	Nil	Nil

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

17. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of Schedule 1B which reads as follows:

- (1) A member of a Union, or a Registrar, 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).

18. ADDITIONAL DISCLOSURES REQUIRED UNDER THE RAO SCHEDULE

In accordance with the requirements of Section 255 of Schedule 1B [the Registration and Accountability of Organisations (RAO) schedule], the following necessary disclosures are made:

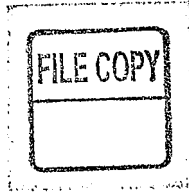
	2008	2007
	\$	\$
i) ITEMS OF REVENUE		
Donations or Grants Income	<u>81,950</u>	<u>-</u>
ii) ITEMS OF EXPENSE		
Affiliation fees/subscriptions to organisations with an interest in industrial matters.	<u>4,884</u>	<u>4,905</u>
Donations or Grant Expenses.		
• Donations > \$1,000	2,156	2,518
• Donations < \$1,000	<u>577</u>	<u>550</u>
	<u>2,733</u>	<u>3,068</u>
Employee Benefits Expense:		
- Office Holders	246,921	178,658
- Employees (Other than Office Holders)	<u>171,938</u>	<u>138,513</u>
	<u>418,859</u>	<u>317,171</u>
Campaign Expenses:		
• General Expenditures	-	4,446
	<u>-</u>	<u>4,446</u>
Expenses incurred in connection with meetings of members, councils, committees, panels to other bodies for which the Union was wholly or partly responsible.	<u>2,106</u>	<u>20,987</u>



Australian Government
Australian Industrial Registry

13 January 2009

Mr Greg Hardy
Secretary, Victorian District Branch (Mining and Energy Division)
Construction, Forestry, Mining and Energy Union
PO Box 918
MORWELL VIC 3840



Dear Mr Hardy

**Lodgement of Financial Statements and Accounts – Victorian District Branch -
Schedule 1 of *Workplace Relations Act 1996* (RAO Schedule) -
for year ended 31 December 2008 (FR2008/633)**

The financial year of the Victorian District Branch of the Mining and Energy Division of the Construction, Forestry, Mining and Energy Union has recently ended. This is a courtesy letter to remind the Branch of the obligations imposed by the RAO Schedule regarding the preparation of financial accounts and statements.

I direct your attention to our website <http://www.airc.gov.au/registered/FR/information.htm> where relevant detailed information may be found. This includes Fact sheets (Sheet 6 – *Accounting, Auditing and Reporting Obligations*; Sheet 7 – *Information Needs of Members*; Sheet 8 – *Financial Reporting Process and Time Limits*; Sheet 9 – *Diagrammatic Summary of Financial Reporting Process and Time Limits*; and Sheet 10 – *Auditors*), Sample Documents (a sample Committee of Management Statement and Designated Officer's Certificate); the RAO Schedule and RAO Regulations; and Registrar's Reporting Guidelines (setting out requirements that must be met in addition to those required by Australian Accounting Standards)

The nominal time frame for completing the audit, presentation and lodgment of the Branch's return will expire - unless a one month extension under s265(5) is granted - on 14 July 2009.

The Registry strongly encourages you to lodge documents electronically by sending an email with the documents attached to orgs@airc.gov.au. Alternatively, you may wish to send the documents by fax to (02) 9380 6990.

If you need any further information or assistance or if you do not believe that the documents will be lodged within the timeframe specified please contact me on 0429 462 979 or by email at stephen.kellett@airc.gov.au.

Yours sincerely,

Stephen Kellett
Statutory Services Branch