



FAIR WORK  
AUSTRALIA

9 October 2012

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



Dear Mr Hardy

**Re: Lodgment of Financial Accounts and Statements – Victorian District Branch –  
for year ending 31 December 2011 (FR2011/2909)**

Thank you for lodging the above financial statements and accounts, which were received by Fair Work Australia on 21 September 2012.

I note that on page 19, at Note 17, a balance of \$6,230 is recorded as having been expended for "Grants or donations". If this amount included any single grant or donation exceeding \$1000, you must lodge a separate statement under section 237 of the *Fair Work (Registered Organisations) Act 2009*, providing the prescribed particulars of such grant or donation for an amount exceeding \$1000 made during the financial year. Statements made under section 237 must ordinarily be lodged within 90 days of the end of the financial year and your attention should be drawn to this requirement if and when grants and donations are made in future years.

The documents have been filed.

Yours sincerely,

Stephen Kellett

Senior Adviser, Regulatory Compliance Branch

FR 2011/2909.

**Designated Officer's Certificate**

s268 *Fair Work (Registered Organisations) Act 2009*

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

- that the documents lodged herewith are copies of the full report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on 3 July 2012; and
- that the full report was presented to a general meeting of members of the reporting unit (in the form of a series of meetings) on 16 September 2012; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature:



Date: Friday, 21 September 2012





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

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

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## OPERATING REPORT

The Board of Management of the Construction Forestry Mining and Energy Union – Mining and Energy Division – Victorian District Branch (“the Union”) present their Operating Report on the Union for the year ended 31 December 2011.

### **Board of Management**

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

NAME	POSITION	PERIOD OF APPOINTMENT
Luke van der Meulen	District President	01/01/2011 to 31/12/2011
Greg Hardy	District Secretary	01/01/2011 to 31/12/2011
Graeme Middlemiss	District Vice President	01/01/2011 to 31/12/2011
Trevor Birkbeck	Board of Management	01/01/2011 to 31/12/2011
Stuart Sceney	Board of Management	01/01/2011 to 31/12/2011
Stuart Caines	Board of Management	01/01/2011 to 31/12/2011
Stuart Blanch	Board of Management	01/01/2011 to 31/12/2011
Bryan Walsh	Board of Management	01/01/2011 to 31/12/2011
Brett Leighton	Board of Management	01/01/2011 to 31/12/2011
Ian Biggs	Board of Management	01/01/2011 to 31/12/2011
Stephen Evans	Board of Management	01/01/2011 to 31/12/2011
Tony Briffa	Board of Management	20/01/2011 to 31/12/2011

### **Principal Activities**

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

- Conducting Activities for Parliamentary, Divisional and District elections, including assisting with statutory requirements.
- Co-ordinating seminars / education courses for Lodge Officers to inform them of current developments or to seek collective input in the development of national policies.
- Representing the District's interest on various national committees and organisations.
- Responsibility for servicing national awards and enterprise agreements and maintaining related information services. District Office also advises Lodges on industrial matters.
- Provision to Lodges with economic and industrial research.
- Provision to Lodges of assistance with administration and financial management.
- Provision to Lodges of a National Library including information service / library through an electronic data base.
- Co-ordinating O H & S nationally and maintaining a national policy database and information service.
- Leading the conduct of legal action launched in defence of the District's constitutional work.
- Provision of a National Training Agenda by representing the Union on various Boards and Committees.

### **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 \$108,146 (2010: Loss of \$3,425). Membership contributions in the current year amounted to \$885,880 being a \$132,288 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***

There were no significant changes in the financial affairs of the Union during the year.

***Membership of the Union***

There were 1,499 financial members of the Union as at 31 December 2011.

***Rights of Members to Resign***

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

***Employees of the Union***

As at 31 December 2011 the Union employed 4 full time equivalent employees.

***Superannuation Trustees***

Mr T. Birkbeck being a Board of Management member of the Union holds the directorship of Equisuper 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 20th day of March 2012.

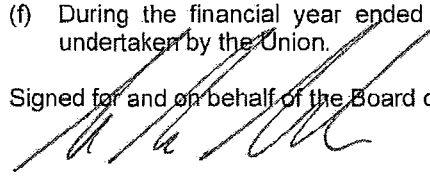
## BOARD OF MANAGEMENT STATEMENT

On 20<sup>th</sup> of March, 2012 the Board of Management of the Construction Forestry Mining and Energy Union – Mining and Energy Division – Victorian District Branch ("the Union"), passed the following resolution in relation to the general purpose financial report (GPFR) of the Union, for the financial year ended 31 December 2011:

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

- (a) The financial statements and notes comply with Australian Accounting Standards;
- (b) The financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year to which they relate;
- (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;
- (e) During the financial year to which the GPFR 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 ('The RO Act') and the Fair Work (Registered Organisations) Regulations 2009; and
  - (iv) No information has been sought in any request of a member of the Union or by the General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009; and
  - (v) No orders for inspection of financial records have been made by Fair Work Australia or FWA under section 273 of the Fair Work (Registered Organisations) Act 2010; and
- (f) During the financial year ended 31 December 2011 no recovery of wages activities have been undertaken by the Union.

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

  
.....  
**Luke van der Meulen**  
District President

  
.....  
**Stuart Sceney**  
Board of Management

Dated this 20th day of March 2012.

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

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	NOTE	2011 \$	2010 \$
Revenue	2	885,880	753,592
Other Income	2	73,862	86,240
Employee Benefits Expense		(425,131)	(442,931)
Depreciation and Amortisation Expense		(36,176)	(40,751)
Donations		(6,230)	(5,000)
Sustentation Fees		(232,707)	(234,392)
Other Expenses		(151,352)	(120,183)
<b>Result for the Year</b>		<u>108,146</u>	<u>(3,425)</u>
<b>Other Comprehensive Income</b>			
Other Comprehensive Income Items		<u>-</u>	<u>-</u>
<b>Other Comprehensive Income for the Year</b>		<u>-</u>	<u>-</u>
<b>Total Comprehensive Income for the Year</b>		<u>108,146</u>	<u>(3,425)</u>

The accompanying notes form part of these financial statements

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2011**

	NOTE	2011 \$	2010 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	397,857	343,094
Trade and Other Receivables	5	77,832	54,821
Other Assets	6	7,641	6,624
<b>TOTAL CURRENT ASSETS</b>		<u>483,330</u>	<u>404,539</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	7	372,722	415,789
<b>TOTAL NON-CURRENT ASSETS</b>		<u>372,722</u>	<u>415,789</u>
<b>TOTAL ASSETS</b>		<u>856,052</u>	<u>820,328</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	43,466	97,204
Other Current Liabilities	9	43,311	48,382
Short-term Provisions	10	54,209	67,822
<b>TOTAL CURRENT LIABILITIES</b>		<u>140,986</u>	<u>213,408</u>
<b>TOTAL LIABILITIES</b>		<u>140,986</u>	<u>213,408</u>
<b>NET ASSETS</b>		<u>715,066</u>	<u>606,920</u>
<b>EQUITY</b>			
Retained Earnings		<u>715,066</u>	<u>606,920</u>
<b>TOTAL EQUITY</b>		<u>715,066</u>	<u>606,920</u>

The accompanying notes form part of these financial statements



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

	2011 \$	2010 \$
Balance as at 1 January	606,920	610,345
Result for the year	<u>108,146</u>	<u>(3,425)</u>
Closing Balance as at 31 December	<u>715,066</u>	<u>606,920</u>

The accompanying notes form part of these financial statements

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**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	NOTE	2011 \$	2010 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Members		954,694	862,414
Interest Received		11,942	12,952
Rents Received		33,072	30,176
Grants Received		-	10,239
Other Income		14,287	24,562
Payments to Suppliers and Employees		(973,353)	(918,063)
Net Cash Generated From Operating Activities	11	<u>40,642</u>	<u>22,280</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for Property, Plant and Equipment		(4,788)	(37,416)
Proceeds from Sale of Property, Plant and Equipment		18,909	20,900
Net Cash Generated From (Used In) Investing Activities		<u>14,121</u>	<u>(16,516)</u>
Net Increase In Cash Held		54,763	5,764
Cash At The Start Of The Financial Year		343,094	337,330
Cash At The End Of The Financial Year	4	<u>397,857</u>	<u>343,094</u>

The accompanying notes form part of these financial statements

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

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report covers the Construction Forestry Mining and Energy Union – Mining and Energy Division – Victorian District Branch (“the Union”) as an individual entity. The Union is an organisation of employees registered under the Fair Work (Registered Organisation) Act 2010 (“the RO Act”). In accordance with the RO 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 Construction Forestry Mining and Energy Union – Mining and Energy Division – Victorian District Branch (“the Union”) has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2011-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards' Reduced Disclosure Requirements of the Australian Accounting Standards Board and the requirements imposed by the Reporting Guidelines of Part 3 of Chapter 8 of the RO Act.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are 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) Revenue**

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

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

**b) Inventories**

Inventories are measured at the lower of cost and net realisable value.

**c) 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 are measured on the cost basis less depreciation and impairment losses.

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

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1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

c) Property, Plant and Equipment

Continued....

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 and recognised at the fair value of the asset at the date it is acquired.

**Depreciation**

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life 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.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and Equipment	20 – 50%
Motor Vehicles	20 – 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Asset classes 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 Statement of Comprehensive Income.

d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to the Union, are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Union will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

e) Financial Instruments

***Initial Recognition and Measurement***

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Union commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

***Classification and Subsequent Measurement***

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

i) *Financial Assets at Fair Value through Profit or Loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

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

6

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

e) Financial Instruments

Continued....

ii) *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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

iii) *Held-to-Maturity Investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Union's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting period.

If during the period the Union sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

iv) *Available-for-Sale Financial Assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after reporting date. (All other financial assets are classified as current assets).

v) *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**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 and reference to similar instruments

**Impairment**

At the end of each reporting period, 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.

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

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

Continued...

**e) Financial Instruments**

Continued....

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Union no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**f) Impairment of Assets**

At the end of each reporting period, the Union reviews the carrying values of its tangible and intangible 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 entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

**g) Employee Benefits**

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

**h) Cash and Cash Equivalents**

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

**i) 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 Tax 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.

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

i) Goods and Services Tax (GST)

Continued...

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) Income Tax

No provision for income tax has been raised as the Union is exempt from income tax under s.50-15 of the Income Tax Assessment Act 1997.

k) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of future economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the period.

l) Trade and Other Payables

Trade and other payables represent the liability outstanding at reporting date for goods and services received by the Union during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

n) Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Where the Union applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a Balance Sheet as at the beginning of the earliest comparative period will be disclosed.

o) Critical Accounting Estimates and Judgments

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

**Key Estimates – Impairment**

The Union assesses impairment at each reporting period by evaluation of conditions specific to the Union that may be indicative of impairment triggers. Recoverable amounts of relevant assets are measure using value-in-use calculations which incorporate various key assumptions.



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

	2011 \$	2010 \$
<b>2. REVENUE AND OTHER INCOME</b>		
<b>Revenue</b>		
<i>Revenue</i>		
Contributions	885,880	753,592
Interest Received	14,479	12,952
Rents Received	30,590	30,176
Grants Received	-	5,770
Donations Received	-	5,395
Other Income	28,793	31,947
	<u>959,742</u>	<u>839,832</u>
<b>3. RESULT FOR THE YEAR</b>		
Profit on Sale of Property, Plant & Equipment	7,232	8,311
Depreciation	(36,176)	(40,751)
Contributions to defined contribution superannuation funds	(44,353)	(46,144)
<b>4. CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	170	300
Cash at Bank	397,687	342,794
	<u>397,857</u>	<u>343,094</u>
<b>5. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Contributions Receivable	56,649	43,245
Other Debtors	21,183	11,576
	<u>77,832</u>	<u>54,821</u>

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

	2011 \$	2010 \$
<b>6. OTHER ASSETS</b>		
Prepayments	7,641	6,624
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Land and Buildings</b>		
Freehold land At Cost	23,000	23,000
Buildings At Cost	364,081	364,081
Less Accumulated Depreciation	(51,300)	(41,714)
	312,781	322,367
<b>Total Land and Buildings</b>	335,781	345,367
<b>Plant and Equipment</b>		
Motor Vehicles		
At Cost	62,524	93,022
Less Accumulated Depreciation	(40,778)	(38,493)
	21,746	54,529
Plant and Equipment		
At Cost	61,625	56,837
Less Accumulated Depreciation	(46,430)	(40,944)
	15,195	15,893
<b>Total Plant and Equipment</b>	36,941	70,422
<b>Total Plant, Property and Equipment</b>	372,722	415,789

(a) **Movements in Carrying Amounts**

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

	Opening WDV \$	Additions \$	Disposals \$	Depreciation Expense \$	Closing WDV \$
2011					
Freehold Land & Buildings	345,367	-	-	(9,586)	335,781
Motor Vehicles	54,529	-	(11,679)	(21,104)	21,746
Plant and Equipment	15,893	4,788	-	(5,486)	15,195
	415,789	4,788	(11,679)	(36,176)	372,722

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

	NOTE	2011 \$	2010 \$
<b>8. TRADE AND OTHER PAYABLES</b>			
Trade and Other Payables		<u>43,466</u>	<u>97,204</u>
<b>9. OTHER LIABILITIES</b>			
Income in Advance		43,311	41,109
Unexpended Grant Income		<u>-</u>	<u>7,273</u>
		<u>43,311</u>	<u>48,382</u>
<b>10. PROVISIONS</b>			
Employee Benefits	(a)	<u>54,209</u>	<u>67,822</u>
<b>Analysis of Total Provisions</b>			
Current		<u>54,209</u>	<u>67,822</u>
<b>Provision for Long-term Employee Benefits</b>			
A provision has been recognised for employee entitlements relating to annual leave and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 of the financial statements.			
<b>(a) Employee Benefits Attributable to:</b>			
Office Holders		46,208	64,643
Staff		<u>8,001</u>	<u>3,179</u>
		<u>54,209</u>	<u>67,822</u>

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

	2011 \$	2010 \$
<b>11. CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of Cash Flows from Operations with Result after Income Tax</b>		
Operating Result after Income Tax	108,146	(3,425)
<b>Non Cash Flows</b>		
Depreciation	36,176	40,751
Profit on Sale of Property, Plant and Equipment	(7,232)	(8,311)
<b>Changes in Assets and Liabilities</b>		
Decrease/(Increase) in Trade and Other Receivables	(23,010)	16,008
Decrease/(Increase) in Other Assets	(1,017)	(699)
Increase/(Decrease) in Trade and Other Payables	(48,881)	(7,491)
Increase/(Decrease) in Provisions	(23,540)	(14,553)
	<u>40,642</u>	<u>22,280</u>

**12. KEY MANAGEMENT PERSONNEL COMPENSATION**

The totals of remuneration paid to key management personnel (KMP) of the Company during the year are as follows:

Key management personnel compensation	<u>297,771</u>	<u>325,777</u>
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**13. 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)
➤ Stuart Sceney	(Board of Management)
➤ Stuart Caines	(Board of Management)
➤ Stuart Blanch	(Board of Management)
➤ Bryan Walsh	(Board of Management)
➤ Brett Leighton	(Board of Management)
➤ Ian Biggs	(Board of Management)
➤ Stephen Evans	(Board of Management)
➤ Tony Briffa	(Board of Management - commenced 20/1/11)

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

**13. RELATED PARTY INFORMATION**

Continued...

**(b) Related Party Transactions**

**Other related parties**

- i) Sustentation fees totalling \$232,707 (2010: \$234,392) were paid to the Construction, Forestry, Mining and Energy Union during the year.
- ii) Salary & Wages totalling \$11,665 (2010: \$35,427) 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.
- iii) Salary & Wages totalling \$34,974 (2010: \$31,463) 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.

**14. FINANCIAL RISK MANAGEMENT**

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	NOTE	2011 \$	2010 \$
<b>Financial Assets</b>			
Cash and Cash Equivalents	4	397,857	343,094
Trade and Other Receivables	5	77,832	54,821
		475,689	397,915
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Trade and Other Payables	8	43,467	97,204

**15. EVENTS AFTER THE REPORTING PERIOD**

- (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 the 20th of March 2012 by the Board of Management.

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

**16. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of subsection 272(5) of the RO Act, attention is drawn to the requirements of subsections (1), (2) and (3) of section 272 of the RO Act, which read as follows:-

- (1) A member of a reporting unit, or the General Manager, 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).

**17. ADDITIONAL DISCLOSURES REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2010**

In accordance with the requirements of section 255 of the Fair Work (Registered Organisations) Act 2010 ("the RO Act), the following necessary disclosures are made:

	2011 \$	2010 \$
<b>PROFIT AND LOSS DISCLOSURES</b>		
<b>ITEMS OF REVENUE</b>		
Donations or Grants	-	10,000
<b>ITEMS OF EXPENSE</b>		
Fees and periodic subscriptions in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters	3,000	4,495
Grants or donations	6,230	5,000
Employee Benefits to:		
- Holders of office	264,198	267,281
- Employees (Other than holders of office)	119,794	126,700
	<u>383,992</u>	<u>393,981</u>
Expenses incurred in connection with meetings of members of the Union and any conferences or meeting of councils, committees, panels or other bodies for the holding of which the Union was wholly or partly responsible	7,863	2,981

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS  
OF THE CONSTRUCTION FORESTRY MINING AND ENERGY UNION - VICTORIAN DISTRICT**

We have audited the accompanying financial statements of the Construction Forestry Mining and Energy Union – Mining and Energy Division – Victorian District Branch (“the Union”), which comprises the Balance Sheet as at 31 December 2011 and the Statement of Comprehensive Income, 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 Statements*

The Union's Board of Management are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards' Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 ('The RO Act') and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statements 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 statements are 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 statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Union's preparation and fair presentation of the financial statements 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 Union'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.

*Independence*

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS  
OF THE CONSTRUCTION FORESTRY MINING AND ENERGY UNION - VICTORIAN DISTRICT  
continued...**

*Auditor's Opinion*

In our opinion, the general purpose financial report of the Construction Forestry Mining and Energy Union – Mining and Energy Division – Victorian District Branch ("the Union") as at 31 December 2011 and for the year then ended, is presented fairly in accordance with:

- (a) Accounting Standards' reduced disclosure requirements (including the Australian Accounting Interpretations); and
- (b) The Fair Work (Registered Organisations) Act 2010 ('The RO Act'), including the requirements imposed by Part 3 of Chapter 8 of the RO Act.

*Daley & Co.*

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**Daley & Co**  
**Chartered Accountants**  
**98 Kembla Street**  
**Wollongong NSW 2500**

*Michael Mundt*  
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**Michael Mundt**  
**Partner**

Dated this 20th day of March 2012