



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
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Ref: FR2006/557-[105N-ACT]

Mr George Wason
Branch Secretary
CFMEU Construction & General Division
Australian Capital Territory Divisional Branch
P.O. Box 498
DICKSON ACT 2602

Dear Mr Wason

Financial Return - year ending 31 December, 2006

Our records show the organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

This letter is intended as guide to the law applicable on the date of this letter, and should not be used as a substitute for legal or accounting advice. We only summarise some of the reporting requirements in this letter. More detailed information is at the end of this letter.

Information on AIRC Website

We recommend you and your accountant/auditor also refer to the following documents on the Commission's website at www.airc.gov.au:

- [RAO Schedule](#)
- [RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the requirements of the RAO Schedule - many of them deal with financial reporting matters.

Reporting Unit

Under the provisions of the Registration and Accountability of Organisations Schedule (RAO), Schedule 1 of the *Workplace Relations Act 1996*, reporting entities are known as "*reporting units*". Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will use the term "reporting unit" in this letter.

Industrial Registrar's Guidelines

The Industrial Registrar's reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit's economic support of, or economic dependency on, other reporting units of the organisation.

Timeline Planner and Checklist

We have attached a Timeline/Planner (*Attachment A*) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (*Attachment B*) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar's Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor's Report, comprise the reporting unit's financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar's Reporting Guidelines. The GPFR consists of:

(a) Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

(b) Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255 including disclosures related to any recovery of wages activity ; and

(c) Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C) including declarations related to the recovery of wages activity.

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

First Meeting (Committee of Management)

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

The Auditor

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

The Second Meeting - if it is a General Meeting of Members

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

The Second Meeting - if it is a Committee of Management Meeting

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au).

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certification for illustrative purposes is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

Complying with time limits

This letter has outlined some of the steps in preparing and lodging your return. Many of the steps must be completed within fixed time limits.

Failure to complete them in time could make your reporting unit or its officers liable to financial or "civil penalties".

Extensions of Time

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed can be no more than one month.

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6618 or by e-mail at belinda.penna@air.gov.au as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedures but we cannot give you legal or accounting advice.

Yours sincerely



For Deputy Industrial Registrar
16 January 2007

Documents Checklist

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
1	General Purpose Financial Report	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
2	Committee of Management Statement	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
	Does the statement contain declarations relating to any recovery of wages activity?	
3	Auditor's Report	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
4	Operating Report	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
5	Concise report*	
6	Certificate of Secretary or other Authorised Officer	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

Committee Of Management Statement

On ____/____/____ [date of meeting] the Committee of Management of _____ [name of reporting unit] passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended ____/____/____ [date]:

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

- (a) the financial statements and notes comply* with the Australian Accounting Standards;
- (b) the financial statements and notes comply* with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view* of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds* to believe that the reporting unit 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 committee of management were held* in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been* managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been* kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been* furnished to the member or Registrar; and
 - #(vi) there has been* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

[Add the following if any recovery of wages activity has been undertaken during the financial year]

- (f) in relation to recovery of wages activity:
 - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organization has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

For Committee of Management: _____ [*name of designated officer per section 243 of the RAO Schedule*]

Title of Office held:

Signature:

Date:

* *Where compliance or full compliance has not been attained - set out details of non compliance instead.*

Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]²*, referred to in s268 of the RAO Schedule; and
- that the *[full report **OR** concise report]³*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members **OR** the last of a series of general meetings of members **OR** a meeting of the committee of management]³* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

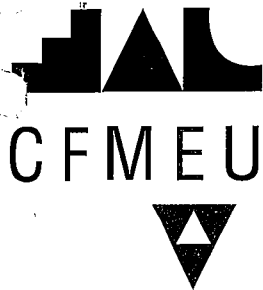
¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*



TR/nd.returns

CONSTRUCTION

FORESTRY

MINING

ENERGY

UNION

26th April, 2007

Industrial Registrar
Australian Industrial Registry
Level 8
80 William Street
SYDNEY NSW 2011

Dear Sir/Madam,

Re: Financial Returns

Please find enclosed herewith the financial returns of the Construction Forestry Mining and Energy Union, A C T Divisional Branch, for the year ending 31st December, 2006.

Please confirm receipt at your earliest convenience.

Yours faithfully,

TOM ROBERTS
National Legal Officer

Encl.



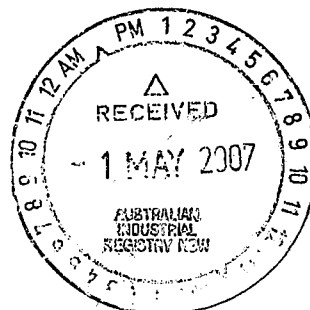
CONSTRUCTION &
GENERAL DIVISION
ABN 46 243 168 565

DAVE NOONAN
National Secretary

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**CONSTRUCTION FORESTRY MINING AND
ENERGY UNION CONSTRUCTION AND
GENERAL DIVISION – ACT BRANCH**

ABN 38 491 952 173

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2006**

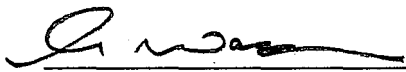
**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

CERTIFICATE OF SECRETARY

I, George Wason being the Branch Secretary of the Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- that the full report was provided to members on 26 March 2007; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 18 April 2007, in accordance with section 266 of the RAO Schedule.

Dated at Canberra, ACT this 18th day of April 2007.



George Wason
Branch Secretary
CFMEU
Construction and General Division
ACT Branch

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

OPERATING REPORT

Principal Activities

CFMEU, Construction & General Division – ACT Branch (“reporting unit”) is committed to advancing the wages, conditions, and wellbeing of its membership.

The reporting unit’s principal activities during the year were:

- Representation of members on the job.
- Union-negotiated collective agreements.
- Assisting members with legal representation.
- Facilitating access to training courses.
- Informing members through the regular newsletter.
- Sale of products to union members.
- Investment of union funds.

The operating profit of the reporting unit for the year ended 31st December 2006 of \$858,568 (2005: Loss \$413,377). The profit was a result of the sale of investment property during the year.

Significant changes

There were no significant changes in the nature of the reporting unit’s activities during the year.

Members rights to resign

A member must provide notice in writing regarding resignation, which is required to be delivered to the Secretary. The resignation takes effect two weeks after the notice is received by the Union or the date nominated by the member – whichever is the latest.

Officers as Trustees

George Wason is trustee of Cbus and Chairman of Investment Committee for Cbus.

Prescribed Information

- (a) the number of persons that were, at 31st December 2006, recorded in the register of members for section 230 of the RAO Schedule and who are taken to be members of the reporting unit under section 244 of the RAO Schedule was 1,236;
- (b) the number of persons who were, at 31st December 2006, employees of the reporting unit, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis was 6 employees;

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

OPERATING REPORT

Prescribed Information (continued)

- (c) the name of each person who has been a member of the committee of management of the reporting unit at any time during the year ended 31st December 2006, and the period for which he or she held such a position is:

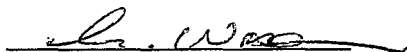
<u>Name</u>	<u>Period</u>
George Wason	Full year
Sarah Schoonwater	Full year
Phil Johnstone	Full year
Rod Driver	Full year
Allan Dillon	Full year
Rob Martin	Full year
Max Harmer	Full year
Jason O'Mara	Full year
Mark Dymock	Full year
Jack Broaderick	Full year
Dave MacGregor	10 months (resigned October 2006)
Wayne Wilson	7 months (resigned July 2006)
Chris Zorzo	6 months (appointed June 2006)
Clyde Stewart	6 months (appointed June 2006)
Ricky Kimberly	6 months (resigned June 2006)
Glenn Parry	6 months (resigned June 2006)
Les Lanscar	6 months (resigned June 2006)
Steve Willetts	5 months (appointed July 2006)
Stan Hambesis	2 months (appointed October 2006)
Eddy Hewitt	2 months (appointed October 2006)

Other Information

There is no other information that the reporting unit considers is relevant.

For and on behalf of the Committee of Management:

Dated at Canberra, ACT this 20th day of February 2007.


Name:


Name:

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH**
ABN 38 491 952 173

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH**

ACCOUNTING OFFICER'S CERTIFICATE

I, George Wason, being the officer responsible for keeping the accounting records of the Construction Forestry Mining and Energy Union – Construction and General Division – ACT Branch, hereby certify that as at 31st December 2006 the number of members of the Branch was 1,236 and that in relation to the 2006 financial year, in my opinion;

- (a) the accounts annexed hereto show a true and fair view of the financial affairs of the Branch as at the end of the financial year;
- (b) a record has been kept of all monies paid by, or collected from, members of the Branch, and all monies so paid or collected have been credited to the bank account to which these monies are to be credited in accordance with the rules of the Branch;
- (c) before any expenditure was incurred by the Branch, approval for the incurring of the expenditure was obtained in accordance with the rules of the Branch;
- (d) as to funds of the Branch raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of such funds other than for the purposes for which the fund was created;
- (e) all loans or other financial benefits granted to persons holding office in the Branch were authorised in accordance with the rules of the Branch; and
- (f) the register of members of the Branch was maintained in accordance with the Act.

Dated at Canberra, ACT this 18th day of April 2007.



George Wason



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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF THE CONSTRUCTION FORESTRY
MINING AND ENERGY UNION CONSTRUCTION AND
GENERAL DIVISION – ACT BRANCH**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2006 there have been:

- (i) no contraventions of the auditor independence requirements as in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Peter Sheville
Registered Company Auditor
WalterTurnbull
44 Sydney Avenue,
Barton, ACT

20 February 2007

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**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF THE CONSTRUCTION FORESTRY MINING AND
ENERGY UNION CONSTRUCTION AND GENERAL DIVISION – ACT
BRANCH**

Scope

The financial report comprises the income statement, balance sheet, statement of changes in equity, statement of cash flows, accompanying notes to the financial statements, and the Committee of Management statement for the Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch (the Union), for the year ended 31 December 2006.

The Committee of Management of the Union are responsible for the preparation and true and fair presentation of the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the Union. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Union's financial position, and of its performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

We declare to the best of our knowledge and belief that the auditor's independence declaration set out on page 5 of the financial report has not changed as at the date of providing our audit opinion.

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Audit Opinion

In our opinion,

- (a) the financial report of the Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch is in accordance with:
- i) applicable accounting standards;
 - ii) other mandatory professional reporting requirements in Australia;
 - iii) other requirements imposed by Schedule 1B, Chapter 8 of the *Workplace Relations Act 1996*; and
 - iv) the financial position of the reporting unit as at 31 December 2006, and the results of its operations and cash flows for the year ended.
- (b) there are no defects or irregularities in the general purpose financial report;
- (c) there are no deficiencies, failures or shortcomings in respect of the matter referred to in subsection (2) of section 257 or section 252 of the *Workplace Relations Act 1996*;
- (d) all the information and explanations that under section 257 of the *Workplace Relations Act 1996* were required to be provided by officers or employees of the reporting unit were provided.

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Peter Sheville
Registered Company Auditor
WalterTurnbull
44 Sydney Avenue,
Barton ACT

20 February 2007



**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

COMMITTEE OF MANAGEMENT STATEMENT

On the 20 February 2007 the Committee of Management of the Construction Forestry Mining and Energy Union, Construction and General Division – ACT Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2006:

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

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with the reporting guidelines of the Industrial registrar;
- c) the financial statements and notes give a true and fair view of the income and expenses, balance sheet, changes in equity and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts when they become due and payable;
- e) during the year to which the GPFR relates and since the end of that year:
 - i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
 - ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of the branch concerned;
 - iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations;
 - iv) the branch has kept the financial records consistently as with other reporting units of the organisation, as far as practical;
 - v) no information has been sought in any request of a member of the reporting unit or a Registrar under section 272 of the RAO Schedule; and
 - vi) no orders have been sought in any request of a member of the reporting unit or a Registrar under section 273 of the RAO Schedule during the period.
- f) no recovery of wages activities undertaken by the reporting unit resulted in any revenues or receipts paid or payable to the reporting unit. All recovered wages were paid directly to reporting unit members by relevant employers.

For Committee of Management:

Dated at Canberra this 20th day of February 2007.





**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 \$	2005 \$
Revenue from ordinary activities	2	2,071,010	1,299,198
Depreciation and amortisation expense	3	(41,611)	(84,800)
Employee benefits expense	3	(830,315)	(1,193,280)
Administrative expense		(498,546)	(492,694)
Investment income from associates		158,030	58,199
Net (loss) from ordinary activities attributable to members of the Union		<u>858,568</u>	<u>(413,377)</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**BALANCE SHEET
AS AT 31 DECEMBER 2006**

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash and cash equivalents	5	326,033	419,180
Receivables	6	1,995	18,714
Others	7	4,466	4,147
TOTAL CURRENT ASSETS		<u>332,494</u>	<u>442,041</u>
NON-CURRENT ASSETS			
Receivables	6	1,865,204	331,865
Investments in associates using equity method	8	1,347,816	1,217,786
Investments	10	-	705,031
Property, plant and equipment	11	106,262	222,161
TOTAL NON-CURRENT ASSETS		<u>3,319,282</u>	<u>2,476,843</u>
TOTAL ASSETS		<u>3,651,776</u>	<u>2,918,884</u>
CURRENT LIABILITIES			
Payables	12	213,943	305,762
Provisions	13	126,884	124,780
Others		155	6,525
TOTAL CURRENT LIABILITIES		<u>340,982</u>	<u>437,067</u>
NON-CURRENT LIABILITIES			
Provisions	13	-	29,591
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>29,591</u>
TOTAL LIABILITIES		<u>340,982</u>	<u>466,658</u>
NET ASSETS		<u>3,310,794</u>	<u>2,452,226</u>
EQUITY			
Retained profits		<u>3,310,794</u>	<u>2,452,226</u>
TOTAL EQUITY		<u>3,310,794</u>	<u>2,452,226</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2006**

	Retained Earnings \$	Total \$
Balance at 1 January 2005	2,865,603	2,865,603
Loss attributable to the entity	<u>(413,377)</u>	<u>(413,377)</u>
Sub-total	<u>(413,377)</u>	<u>(413,377)</u>
Balance at 31 December 2005	<u>2,452,226</u>	<u>2,452,226</u>
Profit attributable to the entity	<u>858,568</u>	<u>858,568</u>
Sub-total	<u>858,568</u>	<u>858,568</u>
Balance at 31 December 2006	<u>3,310,794</u>	<u>3,310,794</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 \$	2005 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from members' subscriptions		939,351	976,560
Cash payments to suppliers and employees		(1,365,117)	(1,428,903)
GST remitted to ATO		(68,286)	(62,432)
Interest received		10,852	13,306
Rent received		93,213	162,711
Donations received		250,300	250,000
Payment of affiliation fees, capitation fees and dispute levies		<u>(68,121)</u>	<u>(37,824)</u>
Net cash provided by operating activities	14	<u>(207,808)</u>	<u>(126,582)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		-	(165,805)
Proceeds from associated entities		28,000	139,306
Proceeds from disposal of fixed assets		45,000	50,000
Loans to related parties		-	(51,152)
Loans repaid from related parties		<u>41,661</u>	<u>-</u>
Net cash (used in) investing activities		<u>114,661</u>	<u>(27,651)</u>
Net (decrease)/increase in cash held		(93,147)	(154,233)
Cash at beginning of the financial year		<u>419,180</u>	<u>573,413</u>
Cash at the end of the financial year	5	<u>326,033</u>	<u>419,180</u>

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Schedule 1B of the *Workplace Relations Act 1996*.

The financial report covers the Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch (the Union) as an individual entity. The Union is an unincorporated entity.

The following is a summary of material accounting policies adopted in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

a) Income Tax

The Union is exempt from income tax under the provisions of Section 50-5 of the *Income Tax Assessment Act 1997*.

b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Property

Leasehold buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) **Property, Plant and Equipment (cont'd)**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increase of the same asset are charged against fair value reserves directly in equity, all other decrease are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

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 their useful economic lives commencing from the time the asset is held ready for use.

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

<i>Class of asset</i>	<i>Depreciation rate</i>
Motor vehicles	22.5%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transactions costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated hedges. Realised and unrealised gains or losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

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.

Impairment

At each reporting date, the entity 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 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 income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the Union's share of post acquisition reserves of its associates.

Associated entities are those that the Committee of Management have determined that the Union has significant influence, but not controlling interest, by means of the level of equity held and the relationship to the Union and the Committee of Management members.

f) Employee Benefits

Provision is made for the entities liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount, plus any related on-costs. Other 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.

g) 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 economic benefits will result and that outflow can be reliably measured.

h) Cash and Cash Equivalents

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

i) Revenue

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian 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.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

k) Comparative figures

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

l) Critical accounting estimates and judgements

The Committee evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Key estimates – impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006 \$	2005 \$
NOTE 2 – REVENUE		
Operating activities:		
Membership subscriptions	501,874	623,106
Rent received	93,213	147,919
Donations received	250,300	250,000
Contributions received	23,798	94,628
Training income	38,559	83,501
Drug and alcohol assistance income	122,880	-
Sitting fees	133,842	69,442
Sundry income	7,496	17,296
	<u>1,171,962</u>	<u>1,285,892</u>
Non-operating activities:		
Interest	10,842	13,306
Profit on sale of non-current assets	888,206	-
	<u>899,048</u>	<u>13,306</u>
Total Revenue	<u>2,071,010</u>	<u>1,299,198</u>

NOTE 3 - PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

(a) Expenses

Depreciation of property, plant and equipment	23,374	48,325
Amortisation of buildings	18,237	36,475
	<u>41,611</u>	<u>84,800</u>
Employee Benefits		
- salaries and wages - office holders	316,93	416,90
- salaries and wages - employees	408,12	559,48
- employee entitlements – annual leave	3	29,7
- employee entitlements – long service leave	19,3	61,9
- employee entitlements – rostered days off	(10,382)	28,4
- superannuation	92,8	96,7
	<u>830,31</u>	<u>1,193,280</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006 \$	2005 \$
NOTE 3 - PROFIT FROM ORDINARY ACTIVITIES (continued)		
Donations paid or payable	91	100
Loss on disposal of assets	12,952	5,785
Membership fees	14,136	15,173
Capitation fees	54,958	50,948
CSI – OH&S services	30,000	-
Travelling expenses	25,773	35,176
Bad debts expense	9,912	-
Redundancy	122,775	34,764

NOTE 4 – REMUNERATION OF AUDITOR

Total amounts received and receivable by the auditors of the Union for:

Audit of the Union's financial report	15,000	12,800
Other services	2,700	2,750
	<u>17,700</u>	<u>15,550</u>

NOTE 5 – CASH AND CASH EQUIVALENTS

Cash on hand	2,400	2,400
Cash at bank	323,633	416,780
	<u>326,033</u>	<u>419,180</u>

The effective interest rate on cash at bank was 3.4% (2004: 4.5%)

Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

Cash assets and cash equivalents	<u>326,033</u>	<u>419,180</u>
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**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006 \$	2005 \$
NOTE 6 - RECEIVABLES		
CURRENT		
Accounts receivable	11,907	18,714
Provision for doubtful debts	<u>(9,912)</u>	<u>-</u>
	<u>1,995</u>	<u>18,714</u>
NON-CURRENT		
Loans - CTUC	<u>1,865,204</u>	<u>331,865</u>

NOTE 7 – OTHER ASSETS

CURRENT

Prepayments	<u>4,466</u>	<u>4,147</u>
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NOTE 8 – INVESTMENTS IN ASSOCIATES USING THE EQUITY METHOD

Raymel Holdings Pty Limited (Note 9)	985,359	911,008
Melphomene Pty Limited (Note 9)	21,490	(4,093)
Wilpeema Pty Limited (Note 9)	<u>340,967</u>	<u>310,871</u>
	<u>1,347,816</u>	<u>1,217,786</u>

NOTE 9 – ASSOCIATED COMPANIES

Associate: Raymel Holdings Pty Limited
Principal Activity: Property
Ownership interest : 50%
Balance date: 30 June 2006

**(a) Movements during the year in equity
accounted investment in associated
company**

Balance at the beginning of the financial year:	<u>911,008</u>	<u>-</u>
Value of investment brought forward	-	987,338
Disposal of investments	-	-
Share of associated entities profit	102,351	52,670
Contributions to property trust	-	-
Drawings from property trust	<u>(28,000)</u>	<u>(129,000)</u>
Balance at the end of the financial year	<u>985,359</u>	<u>911,008</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006	2005
	\$	\$

NOTE 9 – ASSOCIATED COMPANIES (continued)

**(b) Equity Accounted Associate Profits are
broken down as follows:**

Share of associate's profit from ordinary activities before income tax expense	102,351	52,670
Share of associate's income tax expense	-	-
Share of associate's profit from ordinary activities after income tax	<u>102,351</u>	<u>52,670</u>

**(c) Summarised presentation of Assets,
Liabilities and Performance of Associate**

Current Assets	259,635	45,023
Non-current Assets	<u>2,127,931</u>	<u>2,338,583</u>
Total Assets	<u>2,387,566</u>	<u>2,383,606</u>
Current Liabilities	8,757	6,807
Non-current Liabilities	<u>400</u>	<u>400</u>
Total Liabilities	<u>9,157</u>	<u>7,207</u>
Net Assets	<u>2,378,409</u>	<u>2,376,399</u>
Net profit from ordinary activities	<u>204,702</u>	<u>105,340</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

2006 **2005**
\$ \$

NOTE 9 – ASSOCIATED COMPANIES (continued)

Associate: Melphomene Pty Limited
Principal Activity: Property (Cypress Court)
Ownership interest : 10%
Balance date: 30 June 2006

**(a) Movements during the year in equity
accounted investment in associated
company**

Balance at the beginning of the financial year:	(4,093)	-
Value of investment brought forward	-	115,879
Share of accumulated losses brought forward	-	(132,464)
Share of associated entities profit	25,583	12,492
Contributions to property trust	-	-
Drawings from property trust	-	-
 Balance at the end of the financial year	 21,490	 (4,093)

The Union has significant influence over the trustee company due to common directorship of the Union and the trustee company.

**(b) Equity Accounted Associate Profits are
broken down as follows:**

Share of associate's profit from ordinary activities before income tax expense	25,583	12,492
Share of associate's income tax expense	-	-
Share of associate's profit from ordinary activities after income tax	25,583	12,492

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006 \$	2005 \$
NOTE 9 – ASSOCIATED COMPANIES (continued)		
(c) Summarised presentation of Assets, Liabilities and Performance of Associate		
Current Assets	280,160	40,407
Non-current Assets	<u>3,132,878</u>	<u>3,188,885</u>
Total Assets	<u>3,413,038</u>	<u>3,229,292</u>
Current Liabilities	13,589	8,807
Non-current Liabilities	<u>1,525,936</u>	<u>1,602,853</u>
Total Liabilities	<u>1,539,525</u>	<u>1,611,660</u>
Net Assets	<u>1,873,513</u>	<u>1,617,632</u>
Net profit/(loss) from ordinary activities	<u>253,830</u>	<u>124,917</u>

Associate: Wilpeema Pty Limited
Principal Activity: Property (Marcus Clark)
Ownership interest : 10%
Balance date: 30 June 2006

**(a) Movements during the year in equity
accounted investment in associated
company**

Balance at the beginning of the financial year:	<u>310,871</u>	-
Value of investment brought forward	-	310,306
Disposal of investments	-	-
Share of associated entities profit	30,096	10,871
Contributions to property trust	-	-
Drawings from property trust	-	<u>(10,306)</u>
Balance at the end of the financial year	<u>340,967</u>	<u>310,871</u>

The Union has significant influence over the trustee company due to common directorship of the Union and the trustee company.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006 \$	2005 \$
NOTE 9 – ASSOCIATED COMPANIES (continued)		
(b) Equity Accounted Associate Profits are broken down as follows:		
Share of associate's profit from ordinary activities before income tax expense	30,096	10,871
Share of associate's income tax expense	-	-
Share of associate's profit from ordinary activities after income tax	<u>30,096</u>	<u>10,871</u>
(c) Summarised presentation of Assets, Liabilities and Performance of Associate		
Current Assets	342,226	88,466
Non-current Assets	<u>9,740,374</u>	<u>9,965,420</u>
Total Assets	<u>10,082,600</u>	<u>10,053,886</u>
Current Liabilities	(873)	907,332
Non-current Liabilities	<u>6,892,526</u>	<u>6,025,913</u>
Total Liabilities	<u>6,891,653</u>	<u>6,933,245</u>
Net Assets	<u>3,190,947</u>	<u>3,120,641</u>
Net profit/(loss) from ordinary activities	<u>300,960</u>	<u>108,708</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006 \$	2005 \$
NOTE 10 – INVESTMENTS		
Investment properties – at cost	-	1,187,297
Improvements	-	96,685
Accumulated amortisation	-	(578,951)
	<u>-</u>	<u>705,031</u>

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

Motor vehicles - at cost	236,686	336,141
Less accumulated depreciation	<u>(130,424)</u>	<u>(113,980)</u>
	<u>106,262</u>	<u>222,161</u>
Total Property, Plant and Equipment	<u>106,262</u>	<u>222,161</u>

Movements in carrying amounts

Movement in the carrying amounts for property, plant and equipment between the beginning and the end of the current financial year.

	Motor Vehicles	Total \$
Balance at the beginning of the period	222,161	222,161
Additions	-	-
Disposals	(135,503)	(135,503)
Depreciation expense	(23,374)	(23,374)
Depreciation write-back on disposal	<u>42,978</u>	<u>42,978</u>
Carrying amount at the end of the period	<u>106,262</u>	<u>106,262</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006 \$	2005 \$
NOTE 12 - PAYABLES		
CURRENT		
Trade creditors	1,827	6,961
Accrued expenses	28,432	28,432
Sundry creditors	20,204	37,010
Employee benefits	163,480	233,359
	<u>213,943</u>	<u>305,762</u>

NOTE 13 - PROVISIONS

	Employee Entitlements \$	Total \$
Opening balance at 1 January 2005	154,371	154,371
Net provision movement during year	(27,487)	(27,487)
Balance at 31 December 2005	<u>126,884</u>	<u>126,884</u>
	2006 \$	2005 \$
Current	126,884	124,780
Non-Current	-	29,591
	<u>126,884</u>	<u>154,371</u>

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to 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 upon historical data. The recognition criteria for employee benefits has been included in Note 1.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006 \$	2005 \$
NOTE 14 - CASH FLOW INFORMATION		
(a) Reconciliation of Cash Flows from Operations with Profit from Ordinary Activities		
Deficit from ordinary activities	858,568	(413,377)
Non-cash flows in profit from ordinary activities:		
Depreciation and amortisation	41,611	84,800
Diminution in value of investments	-	118,337
Profit on sale of investment properties	(888,206)	-
Loss on sale of plant and equipment	12,952	5,785
Profit from investments in associates	(158,030)	(58,199)
Redundancies	34,573	-
Changes in assets and liabilities:		
Decrease/(increase) in receivables	16,719	(16,426)
(Increase) in other assets	(319)	(4,147)
(Decrease)/increase in payables	(5,579)	29,961
(Decrease)/increase in employee provisions	(97,366)	120,159
(Decrease)/increase in other liabilities	(22,731)	6,525
Cash flows from operations	<u>(207,808)</u>	<u>(126,582)</u>

(b) Non-cash Financing and Investing Activities

There were no non-cash financing or investing activities during the period.

(c) Credit Stand by Arrangement and Loan Facilities

The Union has no credit stand-by or financing facilities in place.

NOTE 15 – EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events after the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006	2005
	\$	\$

NOTE 16 – RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Sitting fees for Office Holders

Cbus	103,128	43,740
Hotel Leisure and Tourism Trust of Australia	2,000	-
ACT Building and Construction Industry Training	1,830	1,620
ACT Construction Industry Long Service Leave Board	545	-
Canberra Partnership Board	10,930	10,082
ACIRT	4,500	12,559
433	10,909	-
Australian Super Developments	-	60,608
Regent Theatre and Hotel Trust	-	2,000
	133,842	130,609

NOTE 17 – ECONOMIC DEPENDENCY

The continuing operation of the Union is dependent upon the ongoing payment of expenses by the Canberra Tradesmen Union Club. The value of expenses paid for on behalf of the Union for the year ended 31 December 2006 is \$629,149 (2005: \$340,573).

NOTE 18 - FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The financial instruments consist mainly of deposits with bank, short term investments, accounts receivable and accounts payable.

Financial Risks

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

Interest rate risk

Interest rate risk is managed with fixed rates. For further details on interest rate risk refer to Note 15(b).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

NOTE 18 - FINANCIAL INSTRUMENTS (continued)

(a) Financial Risk Management (continued)

Liquidity Risk

The Union manages liquidity risk by monitoring forecast cash flows.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the income statement and notes to the financial statements.

The Union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the economic entity.

(b) Interest Rate Risk

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non Interest Bearing		Total	
	2006	2005	2006	2005	2006	2005	2006	2005
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash	3.2	3.4	323,633	416,780	2,400	2,400	326,033	419,180
Accounts Receivable	-	-	-	-	1,867,199	350,579	1,867,199	350,579
Prepayments	-	-	-	-	4,466	4,147	4,466	4,147
Total Financial Assets			323,633	416,780	1,874,065	357,126	2,197,698	773,906
Financial Liabilities								
Payables	-	-	-	-	213,943	305,762	213,943	305,762
Total Financial Liabilities			-	-	213,943	305,762	213,943	305,762

(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. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

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.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

NOTE 19 - CONTINGENT LIABILITIES

As at balance date the Union has no known contingent liabilities.

NOTE 20 - CAPITAL COMMITMENTS

As at the balance date the Union has no known capital commitments.

NOTE 21 – SEGMENT REPORTING

The Union operates predominantly in one industry and geographical segment, being in the trade union sector throughout Australia.

NOTE 22 – UNION DETAILS

The registered office of the union is:

2 Badham Street
Dickson ACT 2602



WALTERTURNBULL
your extra asset

**DISCLAIMER OF OPINION
TO THE MEMBERS OF
CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH**

The additional financial data presented on pages 32 to 33 is in accordance with the books and records of Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch which have been subjected to the auditing procedures applied in our audit of the Union for the year ended 31 December 2006.

It will be appreciated that our audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than the Union) in respect of such data, including any errors or omissions therein however caused.

Peter Sheville
Registered Company Auditor
WalterTurnbull
Canberra, ACT

20 February 2007

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BUSINESS ADVISORY SERVICES

ASSURANCE SERVICES

MANAGEMENT CONSULTING

FINANCIAL PLANNING

INSOLVENCY SERVICES

ACCOUNTING SOLUTIONS



**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH**

ABN 38 491 952 173

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006 \$	2005 \$
Revenue		
Membership subscriptions	501,874	623,106
Rent received	93,213	147,919
Donations received	250,300	250,000
Contributions received	23,798	94,628
Training income	38,559	83,501
Drug and alcohol assistance income	122,880	-
Sitting fees	133,842	69,442
Sundry income	7,496	17,296
Interest received	10,842	13,306
Investment income from associates	158,030	58,199
Profit on sale of non-current assets	888,206	-
	<hr/>	<hr/>
Total Revenue	2,229,040	1,357,397
Expenditure		
Membership fees	14,136	15,173
Amortisation	18,237	36,475
Audit and accounting fees	20,500	15,550
Advertising and promotion costs	2,580	-
Bad debts expense	9,912	-
Bank charges	3,708	3,951
Capitation fees – National Office	54,958	50,958
Commissions paid	4,546	7,350
Counter sales merchandise	5,235	630
CSI – OH&S services	30,000	-
Depreciation – Motor Vehicles	23,374	48,325
Donations	91	100
Entertainment expenses	1,365	-
Fringe Benefits Tax	34,448	34,730
Insurance	7,258	7,985
Legal costs	3,274	52
Loss on sale of non-current assets	12,952	5,785
Meeting expenses	1,673	368
Affiliation fees	13,163	17,783
Motor vehicle expenses	1,921	6,344
NT special expenses	6,309	-
Payroll tax	-	1,155
Postage, printing and stationery	6,412	6,181

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH**

ABN 38 491 952 173

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006	2005
	\$	\$
Protective clothing	94	588
Provision for employee entitlements	12,425	120,158
Provision for leisure day	9,381	-
Provision for diminution of unit trust investment	-	58,184
Redundancy contributions	122,775	34,764
Rent – Darwin	6,145	6,658
Rental property expenses	20,884	101,661
Salaries and wages – office holders	316,931	416,906
Salaries and wages – employees	408,128	559,482
Subscriptions	65	(477)
Sundry expenses	17,183	15,687
Superannuation contributions	92,832	96,734
Telephone	12,101	12,085
Training	12,478	(837)
Travelling expenses	25,773	35,176
Workers compensation	23,212	30,899
Refunds on membership	492	1,755
Computer costs	(841)	1,380
Registration	7,734	17,503
Prizes	(22)	55
Repair and maintenance	1,152	(45)
Office expenses	495	(14)
Publication	1,445	140
Meals and incidentals	3,558	3,437
	<u>1,370,472</u>	<u>1,770,774</u>
Total Expenditure	<u>1,370,472</u>	<u>1,770,774</u>
Operating Profit /-(Loss)	<u><u>858,568</u></u>	<u><u>(413,377)</u></u>



Australian Government
Australian Industrial Registry

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80 William Street, East Sydney, NSW 2011
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Email: sydney@air.gov.au

Mr Tom Roberts
National Legal Officer, Construction and General Division
Construction, Forestry, Mining and Energy Union
PO Box Q235 Queen Victoria Building Post Office
SYDNEY NSW 1230

Dear Mr Roberts

**Re: Lodgement of Financial Statements and Accounts – Construction and General
Division, Australian Capital Territory Branch – for year ending 31 December 2006
(FR2006/557)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 1 May 2007.

The documents have been filed.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'S Kellett', written over a horizontal line.

Stephen Kellett
for Deputy Industrial Registrar

29 May 2007