



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, National Office – for year ending 31 December 2007(FR2007/534)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 2 July 2008.

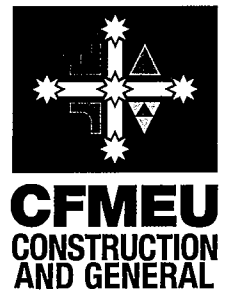
The legislative requirements in respect of the above financial report having been met, the documents have been filed.

Yours sincerely,

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

Statutory Services Branch

10 July 2008



1 July 2008

Industrial Registrar  
Australian Industrial Registry  
Level 8, 80 William Street  
East Sydney NSW 2011



Dear Sir/Madam

Re: Financial Returns

Please find enclosed herewith the financial returns of the CFMEU Construction & General Division, for the year ending 31 December 2007.

Please confirm receipt at your earliest convenience.

Yours faithfully

Tom Roberts  
Senior National Legal Officer  
CFMEU  
Construction & General Division



Designated Officer's Certificate or other Authorised Officer<sup>1</sup>

s268 of Schedule 1 *Workplace Relations Act 1996*

I, David Noonan, being the National Secretary of the Construction, Forestry, Mining and Energy Union, Construction and General Division 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 13 June 2008; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 25 June 2008; in accordance with section 266 of the RAO Schedule.

Signature



Date 1 July 2008

<sup>1</sup>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.



**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

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## OPERATING REPORT

The Committee of Management of the Construction Forestry Mining and Energy Union, Construction and General Division, National Office (The Union) present their Operating Report on the Union for the year ended 31 December 2007.

### *Committee of Management*

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

<b>NAME</b>	<b>POSITION</b>	<b>PERIOD OF APPOINTMENT</b>
Dave Noonan	National Secretary	1/1/07 to 31/12/07
Tom Watson	President	29/5/07 to 31/12/07
Chris Price	President	1/1/07 to 29/5/07
Albert Littler	Senior Vice President	1/1/07 to 31/12/07
Peter McClelland	Senior Vice President	1/1/07 to 31/12/07
Paul Waters	Senior Vice President	1/1/07 to 1/8/07
Keith Murphy	Senior Vice President	1/8/07 to 31/12/07
Lindsay Fraser	Assistant Secretary	1/1/07 to 31/12/07
Martin Kingham	Assistant Secretary	1/1/07 to 31/12/07
Peter Close	Vice President	1/1/07 to 31/12/07
Bill Oliver	Vice President	1/1/07 to 31/12/07
Ralph Edwards	Vice President	1/1/07 to 31/12/07
Andrew Ferguson	COM Member	1/1/07 to 31/12/07
Michael Ravbar	COM Member	22/1/07 to 31/12/07
Wally Trohear	COM Member	1/1/07 to 22/1/07
Greg Simcoe	COM Member	1/1/07 to 31/12/07
Tony Benson	COM Member	1/1/07 to 31/12/07
Ben Carslake	COM Member	1/1/07 to 1/8/07
Justin Feehan	COM Member	1/8/07 to 31/12/07
Martin O'Malley	COM Member	1/1/07 to 31/12/07
Kevin Reynolds	COM Member	1/1/07 to 31/12/07
Joe McDonald	COM Member	1/1/07 to 31/12/07
George Wason	COM Member	1/1/07 to 3/7/07
Sarah Schoonwater	COM Member	3/7/07 to 31/12/07
Tom Watson	COM Member	1/1/07 to 29/5/07
Steve Roach	COM Member	1/1/07 to 31/12/07
Wayne O'Neill	COM Member	29/5/07 to 31/12/07
Brian Parker	COM Member	16/10/07 to 31/12/07
Brett Gay	COM Member	1/1/07 to 16/10/07
Brian Fitzpatrick	COM Member	1/1/07 to 31/12/07
John Sutton	COM Member	1/1/07 to 31/12/07
Dean Hall	COM Member	1/8/07 to 31/12/07

### *Principal Activities*

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

- Implementation of Divisional Executive Decisions.

## **OPERATING REPORT** (Continued)

### **Principal Activities** (Continued)

- Maintenance of Union Rules, Registrations and Affiliations.
- Organising Executive Meetings and Divisional Conferences as well as National Safety Officer Meetings.
- Conducting Activities for Parliamentary, Divisional and Divisional Branch elections, including assisting with statutory requirements.
- Co-ordinating seminars / education courses for Branch Officers to inform them of current developments or to seek collective input in the development of national policies.
- Representing the Division's interest on various national committees and organisations.
- Co-ordinating the involvement of the Union in relevant international trade union bodies and conferences.
- Responsibility for servicing national awards and enterprise agreements and maintaining related information services. Divisional Office also advises Branches on industrial matters.
- Provision to Branches with economic and industrial research.
- Provision to Branches of assistance with administration and financial management.
- Provision to Branches 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.
- Providing prime responsibility of initiating and leading the conduct of legal action launched in defence of the Division's constitutional work.
- Providing a National Computer Department to service each Branch and Divisional Office.
- Provision of National Publicity Services in respect of the national newspaper, safety newsletter and various brochures on industrial issues, media issues etc
- Provision of a National Training Agenda by representing the Union on various Boards and Committees.

### **Results of Activities**

The result for the year was a loss of \$653,258 (2006 was a profit of \$72,952). This loss includes donations paid of \$355,896 and legal expenses of \$431,413. The 2006 result includes non-recurrent income of \$300,214 in relation to 2007 election special levy.

### **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.

**OPERATING REPORT** (Continued)

***Membership of the Union***

There were 60,941 financial members of the Union as at 31 December 2007.

***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 RAO Schedule).

***Employees of the Union***

As at 31 December 2007 the Union employed 15 full time employees.

***Superannuation Trustees***

Mr Dave Noonan is the National Secretary of the Union and is a director of United Super Pty Ltd which acts as Trustee of C Bus. He is also a Director of C Bus Property Pty Ltd.

Mr John Sutton was the Committee of Management Member of the Union and is a director of United Super Pty Ltd which acts as Trustee of C Bus.

Mr Andrew Ferguson is a Committee of Management Member of the Union, and holds an alternate directorship (on behalf of Mr Dave Noonan and Mr John Sutton) of United Super Pty Ltd which acts as Trustee of C Bus.

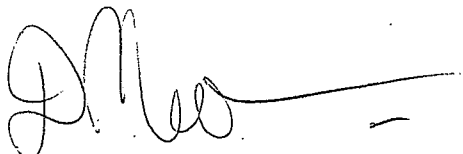
Mr Albert Littler is the Joint Divisional Senior Vice-President of the Union and is a director of United Super Pty Ltd which acts as Trustee of C Bus. Mr Martin Kingham is a Committee of Management Member of the Union, and holds an alternate directorship (on behalf of Mr Albert Littler) of United Super Pty Ltd which acts as Trustee of C Bus.

Mr George Wason was a Committee of Management Member of the Union for part of the year and is a director of United Super Pty Ltd which acts as Trustee of C Bus. Mr Ben Carslake was a Committee of Management Member of the Union for part of the year, and holds an alternate directorship (on behalf of Mr George Wason) of United Super Pty Ltd which acts as Trustee of C Bus.

Mr Wallace Trohear and Mr Gregory Simcoe are members of the Committee of Management of the Union and are directors of BUSS (Queensland) Pty Ltd which acts as Trustee of BUSS[Q].

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.



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**DAVE NOONAN**  
National Secretary

Dated this 7th day of May 2008.

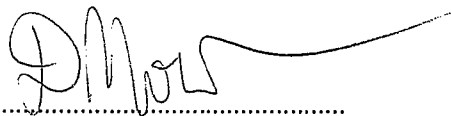
## COMMITTEE OF MANAGEMENT STATEMENT

On 7th of May, 2008 the Committee of Management of Construction Forestry Mining and Energy Union Construction and General Division – National Office ("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 2007:

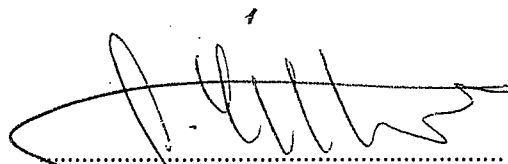
The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) The financial statements and notes comply with Australian Accounting Standards;
- (b) The financial statements and notes comply with the reporting guidelines of the 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 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; and
- (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 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 section 255 of Schedule 1 of the Workplace Relations Act 1996 ("the RAO Schedule") and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003; and
  - (iv) No information has been sought in any request of a member of the Union or by a Registrar duly made under section 272 of the RAO Schedule; and
  - (v) No orders for inspection of financial records have been made by the Commission under section 273 of the RAO Schedule.

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



DAVE NOONAN  
National Secretary



ALBERT LITTLER  
Senior Vice President

Dated this 7th day of May 2008.



**INDEPENDENT AUDIT REPORT TO THE MEMBERS  
OF THE CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

**Report on the Financial Report**

We have audited the accompanying financial report of the Construction Forestry Mining and Energy Union – Construction and General Division, National Office (“the Union”), which comprises the Balance Sheet as at 31 December 2007 and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of the significant accounting policies and other explanatory notes and the Committee of Management Statement.

*Committee of Management's Responsibility for the Financial Report*

The Union's Committee of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Committee of Management also state, in accordance with Australian Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

*Audit Responsibility*

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

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

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

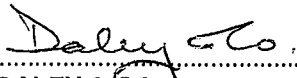
**INDEPENDENT AUDIT REPORT TO THE MEMBERS  
OF THE CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

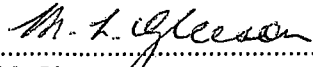
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**AUDIT OPINION**

In our opinion, the general purpose financial report of the Construction Forestry Mining and Energy Union, Construction and General Division, National Office is in accordance with:

- (a) The Workplace Relations Act 1996, including:
- (i) Giving a true and fair value of the Union's financial position as at 31 December 2007 and of its performance for the year ended on that date; and
  - (ii) Complying with Accounting Standards (including the Australia Accounting Interpretations); and
- (b) The requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Act.

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

  
.....  
**M L Gleeson**  
Registered Company Auditor

Dated this 7th day of May 2008.

Liability limited by a scheme approved under Professional Standards Legislation

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**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	NOTE	2007 \$	2006 \$
Revenue	2	<u>3,395,906</u>	<u>3,468,921</u>
Wages and Related Costs		(1,187,115)	(1,138,166)
Depreciation and Amortisation Expenses		(175,922)	(200,288)
Donations		(355,896)	(57,924)
Other Expenses		<u>(2,330,231)</u>	<u>(1,999,591)</u>
		<u>(4,049,164)</u>	<u>(3,395,969)</u>
<b>Net Result Attributable to Members</b>		<u>(653,258)</u>	<u>72,952</u>

The accompanying notes form part of these financial statements.

**BALANCE SHEET  
 AS AT 31 DECEMBER 2007**

	NOTE	2007 \$	2006 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	529,354	455,763
Trade and Other Receivables	5	788,574	1,577,322
Financial Assets	6	3,030,000	2,943,349
Other Current Assets	7	6,188	9,080
<b>TOTAL CURRENT ASSETS</b>		<u>4,354,116</u>	<u>4,985,514</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	8	4,916,208	5,010,916
<b>TOTAL NON-CURRENT ASSETS</b>		<u>4,916,208</u>	<u>5,010,916</u>
<b>TOTAL ASSETS</b>		<u>9,270,324</u>	<u>9,996,430</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	344,151	327,321
Short-term Borrowings	10	-	139,586
Short-term Provisions	11	225,062	601,219
<b>TOTAL CURRENT LIABILITIES</b>		<u>569,213</u>	<u>1,068,126</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term Provisions	11	461,587	35,522
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>461,587</u>	<u>35,522</u>
<b>TOTAL LIABILITIES</b>		<u>1,030,800</u>	<u>1,103,648</u>
<b>NET ASSETS</b>		<u>8,239,524</u>	<u>8,892,782</u>
<b>ACCUMULATED FUNDS</b>			
Accumulated Members' Funds		<u>8,239,524</u>	<u>8,892,782</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
Opening Balance as at 1 January	8,892,782	8,819,830
Result Attributable to Members	(653,258)	72,952
Closing Balance as at 31 December	<u>8,239,524</u>	<u>8,892,782</u>

The accompanying notes form part of these financial statements.

**CASH FLOW STATEMENT  
 FOR THE YEAR ENDED 31 DECEMBER 2007**

	NOTE	2007 \$	2006 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Membership Levies		3,678,210	2,534,364
Interest Received		219,719	205,691
Sundry Income		736,185	525,148
Payments to Suppliers and Employees		<u>(4,253,072)</u>	<u>(3,516,996)</u>
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	13(b)	<u>381,042</u>	<u>(251,793)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Property, Plant and Equipment		-	12,339
Purchase of Property, Plant and Equipment		(81,214)	(79,123)
Proceeds from Sale of Investments		203,359	381,399
Purchase of Investments		<u>(290,010)</u>	<u>(169,637)</u>
NET CASH (USED IN) / PROVIDED BY INVESTING ACTIVITIES		<u>(167,865)</u>	<u>144,978</u>
NET INCREASE / (DECREASE) IN CASH HELD		213,177	(106,815)
CASH AT THE START OF YEAR		316,177	422,992
CASH AT THE END OF YEAR	13(a)	<u>529,354</u>	<u>316,177</u>

The accompanying notes form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements imposed by the Reporting Guidelines of Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act, 1996.

The financial report complies with all International Financial Reporting Standards (AIFRS) in their entirety.

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

#### **Basis of Preparation**

##### *Reporting Basis and Conventions*

The financial report is for the Construction Forestry Mining and Energy Union – Construction and General Division – National Office (“the Union”) as an individual entity. The Union is an organisation of employees registered under the Workplace Relations Act, 1996 (“the Act”). In accordance with the Act, the Union is a body corporate and has perpetual succession, by virtue of this method of incorporation, the Union is not subject to the Corporations Act 2001.

The financial report has been prepared on an accruals basis, except where specifically stated, and is based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied.

#### **Accounting Policies**

##### (a) PROPERTY, PLANT & EQUIPMENT

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

##### **Property, Plant and Equipment**

Property, Plant and Equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by the Committee 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.

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 Union 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES** *Continued*

(a) PROPERTY, PLANT & EQUIPMENT *CONTINUED*

**Depreciation**

The depreciation 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 lives to the Union. The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	2%
Office Furniture and Fittings	10 - 20%
Computer Equipment	20 - 30%
Motor Vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Balance Sheet date.

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

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

(b) INCOME TAX

No provision for income tax is necessary, as the Union (being a registered Industrial Trade Union) is exempt from tax under s.50-15 of the Income Tax Assessment Act.

(c) 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 by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES** *Continued*

(d) FINANCIAL INSTRUMENTS

**Recognition**

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

**Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

**Held-to-Maturity Investments**

These investments have fixed maturities, and it is the Union's intention to hold these investments to maturity. Any held-to-maturity investments held by the Union are stated at amortised cost using the effective interest rate method.

**Available-for-Sale Financial Assets**

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

**Financial Liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**Impairment**

At each reporting date, the Union assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(e) IMPAIRMENT OF ASSETS

At each reporting date, the Union reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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

(f) EMPLOYEE BENEFITS

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. 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, inclusive of related on-costs.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**1. STATEMENT OF ACCOUNTING POLICIES** *Continued*

(g) PROVISIONS

Provisions are recognised when the Union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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

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 services to the customers.

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

(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 Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

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

(k) ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

There have been no accounting standards issued which will impact the financial report in future periods and which are not yet effective.

(l) COMPARATIVE FIGURES

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
<b>2. REVENUE</b>		
<i>Operating Revenue</i>		
Membership Levies	2,504,148	2,782,590
Interest Received	222,499	208,924
Computer Costs Reimbursed	6,014	19,889
Meetings & Conferences	4,266	12,996
Attendance Fees	173,299	98,730
Wages Reimbursements	25,233	25,907
Occupancy Costs Reimbursed	78,411	19,603
Darwin Associated Costs Reimbursed	142,331	-
Advertising Revenue	43,550	-
Rents Received	15,024	-
Special Levy - 2007 Election	146,888	300,214
Sundry Income	34,243	68
	<u>3,395,906</u>	<u>3,468,921</u>
<b>3. RESULT FOR THE YEAR</b>		
Loss on Disposal of Assets	-	17,942
Remuneration of Auditors		
- Auditing the Financial Report	10,920	10,400
- Other Services	12,939	9,728
	<u>23,859</u>	<u>20,128</u>
<b>(a) SIGNIFICANT REVENUE ITEMS</b>		
Special Levy - 2007 Election	<u>146,888</u>	<u>300,214</u>
<b>(b) SIGNIFICANT EXPENSE ITEMS</b>		
Donation Expenses	355,896	57,924
Legal Expenses	431,413	72,109
	<u>787,309</u>	<u>130,033</u>

**NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2007**

	NOTE	2007 \$	2006 \$
<b>4. CASH AND CASH EQUIVALENTS</b>			
Deposits at Call		331,100	454,263
Cash on Hand		1,500	1,500
Cash at Bank – Main Account		196,754	-
		<u>529,354</u>	<u>455,763</u>
<b>5. TRADE AND OTHER RECEIVABLES</b>			
<b>Current</b>			
Other Receivables		180,759	87,052
Interest Receivable		27,337	24,557
		<u>208,096</u>	<u>111,609</u>
Amounts due from Branches – Membership Levies	12	580,478	1,465,713
		<u>788,574</u>	<u>1,577,322</u>
<b>6. FINANCIAL ASSETS</b>			
<b>Current</b>			
Held-to-Maturity: Commercial Bank Bills		<u>3,030,000</u>	<u>2,943,349</u>
<b>7. OTHER CURRENT ASSETS</b>			
Prepayments		<u>6,188</u>	<u>9,080</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 \$	2006 \$
<b>8. PROPERTY, PLANT &amp; EQUIPMENT</b>		
Land – At Cost	250,000	250,000
Buildings – At Cost	4,946,140	4,946,140
Less Accumulated Depreciation	(441,727)	(312,569)
	<u>4,504,413</u>	<u>4,633,571</u>
<b>TOTAL LAND &amp; BUILDINGS</b>	<u>4,754,413</u>	<u>4,883,571</u>
Office Furniture and Equipment - At Cost	150,691	150,415
Less Accumulated Depreciation	(106,345)	(100,247)
	<u>44,346</u>	<u>50,168</u>
Computer Equipment - At Cost	180,173	177,053
Less Accumulated Depreciation	(160,005)	(147,037)
	<u>20,168</u>	<u>30,016</u>
Motor Vehicles - At Cost	158,439	85,871
Less Accumulated Depreciation	(61,158)	(38,710)
	<u>97,281</u>	<u>47,161</u>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<u>4,916,208</u>	<u>5,010,916</u>

**(a) Movements In Carrying Amounts**

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

	LAND \$	BUILDINGS \$	FURNITURE, FITTINGS & EQUIPMENT \$	MOTOR VEHICLES \$	TOTAL \$
Balance at Start of Year	250,000	4,633,571	80,184	47,161	5,010,916
Additions	-	-	8,646	72,568	81,214
Disposals	-	-	-	-	-
Amortisation / Depreciation	-	(129,158)	(24,316)	(22,448)	(175,922)
Balance at End of Year	<u>250,000</u>	<u>4,504,413</u>	<u>64,514</u>	<u>97,281</u>	<u>4,916,208</u>

**NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 \$	2006 \$
<b>9. TRADE AND OTHER PAYABLES</b>		
Payables – Legal Matters	78,250	51,470
Payables – Other	265,901	275,851
	<u>344,151</u>	<u>327,321</u>

**10. BORROWINGS**

**Current**

Bank Overdraft	<u>-</u>	<u>139,586</u>
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(a) The 2006 bank overdraft account WAS actually in funds with the Union's bankers, however it went into overdraft upon the reconciliation of unrepresented cheques. There was no overdraft facilities made available and accordingly no rate of interest payable.

**11. PROVISIONS**

	PROVISION FOR ANNUAL LEAVE \$	PROVISION FOR LSL \$	TOTAL \$
Opening balance at Start of Year	279,457	357,284	636,741
Additional provisions	116,936	5,237	122,173
Amounts used / written back	(72,265)	-	(72,265)
Balance at End of Year	<u>324,128</u>	<u>362,521</u>	<u>686,649</u>

**(a) Analysis of ageing of provisions**

Current	225,062	601,219
Non-Current	461,587	35,522
	<u>686,649</u>	<u>636,741</u>

The split of employee benefits is based upon management's reasonable estimate of the likely timing of the payment of employee benefit liabilities. In the previous year this split was performed on the basis of current being all employee benefits presently entitled.

**(b) Employee Benefits Attributable to:**

Office Holders	244,490	220,251
Staff	442,159	416,490
	<u>686,649</u>	<u>636,741</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**12. AMOUNTS DUE FROM BRANCHES - MEMBERSHIP LEVIES (INCL GST)**

	BALANCE OWING 1/1/07 \$	ADD AMOUNTS CHARGED \$	LESS CASH RECEIVED \$	BALANCE OWING 31/12/07 \$
New South Wales	314,386	589,405	607,911	295,880
Victoria	563,035	1,031,412	1,596,204	(1,757)
Queensland	201,108	360,553	477,974	83,687
South Australia	58,535	101,205	109,338	50,402
Western Australia	187,325	386,382	472,407	101,300
Tasmania	16,162	32,178	46,162	2,178
Australian Capital Territory	12,594	52,950	58,853	6,691
BTP Division	21,375	39,743	64,275	(3,157)
Queensland Labourers	91,193	160,733	206,672	45,254
<b>TOTAL</b>	<b>1,465,713</b>	<b>2,754,561</b>	<b>3,639,796</b>	<b>580,478</b>

The amount of GST included in the "Amounts Charged" is \$250,414 (2006: \$278,378)..

**12. CONTINGENT LIABILITIES**

- (a) The Union and specified officials are being sued for as yet unspecified damages in an action arising from an alleged industrial dispute. The Divisional Executive is of the opinion that the action can be successfully defended by the Union which is challenging the action.

Given the complex nature of this action and advice from legal counsel, it is not practicable to estimate the potential financial impact, if any, of this action at this time.

The information usually required by AASB 137 Provisions, Contingent Liabilities and Contingent Assets, is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the litigation.

- (b) The ACCC is seeking declarations, injunctions and penalties against the CFMEU and others arising out of alleged breaches of sections 45E and 45EA of the Trade Practices Act 1974. The matter is ongoing and is being defended by the Union. The ACCC is seeking an order that the Union pay a penalty in an amount that the Court determines to be appropriate pursuant to s 76(1) of that Act. Pursuant to s 76(1A) the pecuniary penalty payable under s 76(1) by a body corporate is not to exceed \$750,000 for each act or omission to which the section applies that relates to section 45D, 45DB, 45E or 45EA. The final form of orders to be made by the Court, if any, will be determined at the conclusion of the proceedings. The Court hearing was completed in September 2007, and the decision is reserved with no outcome known at the time of completion of this financial report.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

		2007	2006
		\$	\$
<b>13. CASH FLOW INFORMATION</b>			
<b>(a) RECONCILIATION OF CASH</b>			
Cash at end of the financial year as shown in the Cash Flow Statement is reconciled to items in the Balance Sheet:			
Cash	4	529,354	455,763
Bank Overdraft	10	-	(139,586)
		<u>529,354</u>	<u>316,177</u>
<b>(b) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH OPERATING RESULT</b>			
<b>Operating Result</b>		(653,258)	72,952
<b>Non-Cash Flows in Operating Result</b>			
Depreciation		175,922	200,288
Loss on Disposal of Non-Current Assets		-	17,942
<b>Changes in Assets and Liabilities</b>			
(Increase)/Decrease in Amounts Due from Branches		885,235	(504,059)
(Increase)/Decrease in Interest Receivable		(2,780)	(3,233)
(Increase)/Decrease in Prepayments		2,892	11,641
(Increase)/Decrease in Other Receivables		(93,707)	(69,889)
Increase/(Decrease) in Employee Entitlements		49,908	29,539
Increase/(Decrease) in Trade and Other Payables		16,830	(6,974)
<b>CASH FLOWS FROM OPERATIONS</b>		<u>381,042</u>	<u>(251,793)</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**14. FINANCIAL INSTRUMENTS**

**(a) 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:

2007	WEIGHTED AVERAGE EFFECTIVE INTEREST RATES	FLOATING INTEREST RATE	FIXED INTEREST RATE MATURING		NON INTEREST BEARING	TOTAL
			WITHIN 1 YEAR	BETWEEN 1 & 5 YEARS		
	%	\$	\$	\$	\$	\$
<b>Financial Assets</b>						
Cash & Cash Equivalents	4.23	527,854	-	-	1,500	529,354
Investments	6.52	-	3,030,000	-	-	3,030,000
Trade & Other Receivables	-	-	-	-	788,574	788,574
<b>Total Financial Assets</b>		<u>527,854</u>	<u>3,030,000</u>	<u>-</u>	<u>790,074</u>	<u>4,347,928</u>
<b>Financial Liabilities</b>						
Trade & Other Payables	-	-	-	-	344,151	344,151
<b>Total Financial Liabilities</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>344,151</u>	<u>344,151</u>
<b>2006</b>						
<b>Financial Assets</b>						
Cash & Cash Equivalents	5.63	454,263	-	-	1,500	455,763
Investments	6.28	-	2,943,349	-	-	2,943,349
Trade & Other Receivables	-	-	-	-	1,577,322	1,577,322
<b>Total Financial Assets</b>		<u>454,263</u>	<u>2,943,349</u>	<u>-</u>	<u>1,578,822</u>	<u>4,976,434</u>
<b>Financial Liabilities</b>						
Borrowings	-	-	-	-	139,586	139,586
Trade & Other Payables	-	-	-	-	327,321	327,321
<b>Total Financial Liabilities</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>466,907</u>	<u>466,907</u>

**(b) 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 of those assets, as disclosed in the Balance Sheet and Notes to the Financial Statements.

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

**(c) Net Fair Values**

The net fair values of all assets and liabilities approximate their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date are disclosed in the Balance Sheet and in the Notes to the Financial Statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 15. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

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

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

### 16. RELATED PARTY INFORMATION

#### (a) MEMBERS OF THE COMMITTEE OF MANAGEMENT

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

Mr. Dave Noonan (National Secretary)	Mr. Tom Watson (President)
Mr. Chris Price (President)	Mr. Peter McLelland (Senior Vice President)
Mr. Albert Littler (Senior Vice President)	Mr. Keith Murphy (Senior Vice President)
Mr. Paul Waters (Senior Vice President)	Mr. Martin Kingham (Assistant Secretary)
Mr. Lindsay Fraser (Assistant Secretary)	Mr. Bill Oliver (Vice President)
Mr. Peter Close (Vice President)	Mr. Ralph Edwards (Vice President)

Persons appointed and holding honorary positions as members of the Committee of Management for the financial year:

Andrew Ferguson	Martin O'Malley	Dean Hall
Wally Trohear	Kevin Reynolds	Justin Feehan
Greg Simcoe	Joe McDonald	Sarah Schoonwater
Tony Benson	George Wason	Brett Gay
Ben Carslake	Michael Ravbar	Brian Fitzpatrick
Wayne O'Neill	Brian Parker	Steve Roach
		John Sutton

Refer to the Operating Report for details of change of appointment dates and positions.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**16. RELATED PARTY INFORMATION** (Continued)

**(b) RELATED PARTY TRANSACTIONS**

**Other related parties**

- i) Capitation fees totaling \$534,786 (2006: \$551,049) were paid to the Construction, Forestry, Mining and Energy Union during the year.
- ii) Levies totaling \$15,527 (2006: \$26,737) were paid to Construction, Forestry, Mining and Energy Union during the year.
- iii) Membership Levies (sustentation fees) and 2007 Federal Election Campaign Levies were charged (excluding GST) to the following Branches during the year:-

	MEMBERSHIP LEVIES 2007 \$	ELECTION LEVIES 2007 \$	TOTAL 2007 \$	MEMBERSHIP LEVIES 2006 \$	ELECTION LEVIES 2006 \$	TOTAL 2006 \$
New South Wales	589,405	32,548	621,953	574,340	65,910	640,250
Victoria	1,031,412	55,240	1,086,652	1,061,851	117,066	1,178,917
Queensland	360,553	19,904	380,457	385,130	41,968	427,098
South Australia	101,205	4,690	105,895	93,743	9,610	103,353
Western Australia	386,382	13,998	400,380	328,007	27,988	355,995
Tasmania	32,178	0	32,178	31,055	3,964	35,019
Australian Capital Territory	52,950	6,360	59,310	41,449	6,130	47,579
BTP Division	39,743	4,232	43,975	46,782	4,816	51,598
Queensland Labourers	160,733	9,916	170,649	220,233	12,140	232,373
	<u>2,754,561</u>	<u>146,888</u>	<u>2,901,449</u>	<u>2,782,590</u>	<u>289,592</u>	<u>3,072,182</u>

- iv) An amount of \$78,411 (2006: 19,603) was received from Construction, Forestry, Mining and Energy Union, National Office during the year, for costs associated with occupying the Union premises.
- v) An amount of \$15,024 (2006: Nil) was received from Construction, Forestry, Mining and Energy Union, Construction and General Division, New South Wales Divisional Branch during the year, for costs associated with occupying the Union premises.
- vi) An amount of \$20,000 (2006: \$20,000) was received from Construction, Forestry, Mining and Energy Union, Construction and General Division, Brick Tile, Pottery, Construction Materials and Related Products Industry Divisional Branch during the year, for clerical assistance.
- vii) During the year the Union has incurred expenditures associated with the establishment and continued operation of the Darwin Branch. The Union has received an amount of \$105,577 (2006: Nil) from the branches and divisions of the CFMEU in reimburse the Union these costs incurred.
- viii) From time to time the Union makes expenditures which relate to itself as well as other branches and divisions of the CFMEU. These expenditures are then reimbursed to the Union at cost hence they are not considered to be related party transactions.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**16. RELATED PARTY INFORMATION** (Continued)

(c) **RELATED PARTY BALANCES**

**Other related parties**

- i) As at balance date, membership levies due from the branches was \$580,478 (2006: \$1,465,713); refer Note 12.
- ii) As at balance date, the wage expense contribution payable to the National Office was nil (2006: \$25,000).

**17. KEY MANAGEMENT PERSONNEL COMPENSATION**

	2007	2006
	\$	\$
<b>Total Compensation of Key Management Personnel</b>		
Short Term Benefits	275,391	319,235
Post Employment Benefits	76,118	80,995
Other Long Term Benefits	3,126	3,525
Termination benefits	6,240	9,360
	<u>360,875</u>	<u>413,115</u>

**18. ORGANISATION DETAILS**

The Union is a Trade Union registered and domiciled in Australia. The registered office and principle place of business of the Union is: Level 12, 276 Pitt Street, Sydney, NSW, 2000.

**19. EVENTS SUBSEQUENT TO BALANCE DATE**

- (a) No matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect:
  - (i) the operations of the Union;
  - (ii) the results of those operations; or
  - (iii) the state of affairs of the Union, in subsequent financial years.
- (b) The financial report was authorised for issue on the 7th of May 2008 by the Committee of Management.

**NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2007**

**20. ADDITIONAL DISCLOSURES REQUIRED UNDER THE RAO SCHEDULE**

In accordance with the requirements of Section 255 of Schedule 1 to the Workplace Relations Act (the Registration and Accountability of Organisations (RAO) schedule), the following necessary disclosures are made:

	2007	2006
	\$	\$
<b>PROFIT AND LOSS DISCLOSURES</b>		
<b>ITEMS OF REVENUE</b>		
Entrance fees or periodic subscriptions in respect of membership of the organisation	2,504,148	2,782,590
<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	50,000	60,000
Compulsory levies imposed on the Union	534,786	551,049
Grants or donations	355,896	57,924
Employee Benefits to:		
- Holders of office	225,677	262,620
- Employees (Other than holders of office)	736,180	687,050
	<u>961,857</u>	<u>949,670</u>
Legal costs and other expenses related to litigation or other legal matters	431,413	72,109
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	139,952	124,12



**Australian Government**  
**Australian Industrial Registry**

Level 8, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 6990

**Ref: FR2007/534-[105N-BWIU]**

Mr David Noonan  
Divisional Secretary  
Construction, Forestry, Mining and Energy Union-  
Construction and General Division  
PO Box Q235  
SYDNEY NSW 1230

Dear Mr Noonan

**Financial Return - year ending 31 December, 2007**

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](http://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](http://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".

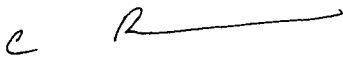
### **Extensions of Time**

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](mailto: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

A handwritten signature in black ink, consisting of a stylized 'c' followed by a long horizontal line that ends in a small upward hook.

For Deputy Industrial Registrar...  
21 January 2008

**TIMELINE/ PLANNER**

Financial reporting period ending:	/ /	
<b>FIRST MEETING:</b> Prepare General Purpose Financial Report (including Committee of Management Statement in accordance with C of M resolution) and Operating Report - s253(1), s254(1)	/ /	<i>as soon as practicable after end of financial year</i>
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<i>within a reasonable time of having received the GPFR</i>
Provide full report free of charge to members.  (a) if the report is to be presented before a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting, or  (b) in any other case including where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of end of financial year.  <i>(obligation to provide full report may be discharged by provision of a concise report s265(1))</i>	/ /	
<b>SECOND MEETING:</b> Present full report to:  (a) General Meeting of Members - s266 (1),(2), or  (b) where rules of organisation allow, a Committee of Management meeting - s266 (3)	/ /	<i>within 6 months of end of financial year</i>  <i>within 6 months of end of financial year</i>
Lodge full report (including any concise report) in the Industrial Registry together with secretary's certificate (or other officer authorised by the rules of the organisation) - s268	/ /	<i>within 14 days of meeting</i>

**Note:** The legislation makes limited provision for extensions of time concerning the provision of the full report to members and the presentation of the full report to a general meeting etc however the maximum extra time allowed can be no more than one month.

**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	✓
<b>1</b>	<b>General Purpose Financial Report</b>	
	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?	
<b>2</b>	<b>Committee of Management Statement</b>	
	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?	
<b>3</b>	<b>Auditor's Report</b>	
	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?	
<b>4</b>	<b>Operating Report</b>	
	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?	
<b>5</b>	<b>Concise report*</b>	
<b>6</b>	<b>Certificate of Secretary or other Authorised Officer</b>	
	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 Officer**<sup>1</sup>

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]*<sup>2</sup>, referred to in s268 of the RAO Schedule; and
- that the *[full report OR concise report]*<sup>3</sup>, 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]*<sup>3</sup> of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

<sup>1</sup>*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.

<sup>2</sup>*Only applicable where a concise report is provided to members*

<sup>3</sup>*Insert whichever is applicable*