



Australian Government

Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
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, New South Wales Divisional Branch – for year ending 31 December 2007
(FR2007/541)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 9 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 read 'David Vale', written in a cursive style.

Statutory Services Branch

4 August 2008



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Peter McClelland
NSW Branch President
CFMEU Construction & General Division
12 Railway St
Lidcombe NSW 1825

Dear Mr McClelland

**Statement of Loans, Grants and Donations - s237 RAO Schedule
CFMEU Construction & General Division, New South Wales Branch for the year ending 31
December 2007 (FR2007/541)**

I refer to the statement of Particulars of Loans, Grants and Donations lodged under cover of a letter dated 18 July 2008, made pursuant to s237 of the RAO Schedule for the financial year ending 31 December 2007. The statement and letter were lodged in the Registry on 22 July 2008.

The statement has been placed on a file which is not for public viewing other than by members of your organisation.

Thank you for your attention to this matter.

Yours sincerely,

A handwritten signature in cursive script that reads 'David Vale'.

David Vale
for Deputy Industrial Registrar

22 July 2008



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Tom Roberts
National Legal Officer
Construction Forestry Mining & Energy Union
PO Box Q235
QVB POST OFFICE SYDNEY NSW 1230

Dear Mr Roberts

**Statement of Loans, Grants and Donations - s237 RAO Schedule
CFMEU Construction & General Division, New South Wales Branch - for the year
ending 31 December 2007 (FR2007/541)**

I refer to the Financial Return of the above Branch that was lodged in the Registry on 9 July 2008. Subsection 237(1) of the RAO Schedule states (in part) that an organisation must lodge within 90 days after the end of each financial year in the Industrial Registry a statement showing the **relevant particulars** in relation to each loan, grant, or donation of an amount exceeding \$1,000 made during the financial year.

Section 237(6) states that the **relevant particulars** required to be lodged are:

- the **amount** of the donation
- the **purpose** for which the donation was made
- the **name and address of the person** to whom the donation was made (except where the grant or donation was made to relieve a member of the organisation, or a dependant of a member of the organisation, from severe financial hardship)

I have attached a copy of s237 of the RAO Schedule for your information.

Please organize a Statement of Loans, Grants and Donations to be lodged as soon as possible.

Yours sincerely,

A handwritten signature in black ink that reads 'David Vale'.

David Vale
for Deputy Industrial Registrar

18 July 2008

237 Organisations to notify particulars of loans, grants and donations

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

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

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

(3) An organisation must not, in a statement under subsection (1), make a statement if the person knows, or is reckless as to whether, the statement is false or misleading.

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

(4) A statement lodged in the Industrial Registry under subsection (1) may be inspected at any registry, during office hours, by a member of the organisation concerned.

(5) The relevant particulars, in relation to a loan made by an organisation, are:

(a) the amount of the loan; and

(b) the purpose for which the loan was required; and

(c) the security given in relation to the loan; and

(d) except where the loan was made to relieve a member of the organisation, or a dependant of a member of the organisation, from severe financial hardship—the name and address of the person to whom the loan was made and the arrangements made for the repayment of the loan.

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

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

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

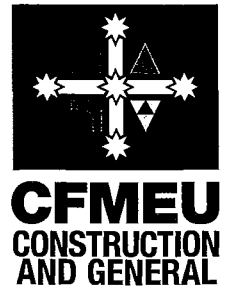
(c) except where the grant or donation was made to relieve a member of the organisation, or a dependant of a member of the organisation, from severe financial hardship—the name and address of the person to whom the grant or donation was made.

(7) Where an organisation is divided into branches:

(a) this section applies in relation to the organisation as if loans, grants or donations made by a branch of the organisation were not made by the organisation; and

(b) this section applies in relation to each of the branches as if the branch were itself an organisation.

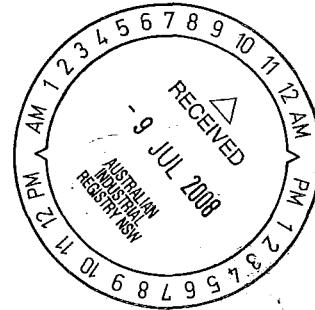
(8) For the purposes of the application of this section in accordance with subsection (7) in relation to a branch of an organisation, the members of the organisation constituting the branch are taken to be members of the branch.



TR/nd.returns

8th July, 2008

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, Construction & General Division, New South Wales Branch, for the year ending 31st December, 2007.

Please confirm receipt at your earliest convenience.

Yours faithfully,

A handwritten signature in cursive script that reads "Tom Roberts".

TOM ROBERTS
National Legal Officer

Encl.



Construction Forestry Mining & Energy Union

Construction & General Division

New South Wales Divisional Branch

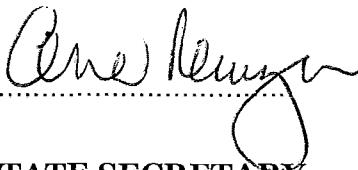
12 Railway Street LIDCOMBE 2141
Phone 02 9749 0400 ♦ Fax 02 9649 7100 ♦ Email: enquiries@nsw.cfmeu.asn.au
Locked Bag 1 LIDCOMBE NSW 1825

Certificate of Secretary

S268 of Schedule 1B Workplace Relations Act 1996

I, Andrew Ferguson, being the Secretary of the Construction Forestry Mining and Energy Union, Construction and General Division, NSW Divisional Branch, certify:

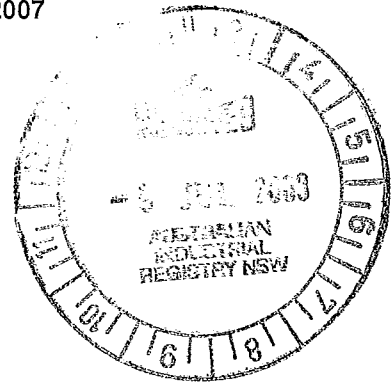
- That the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- That the full report was provided to members on 30th May 2008; and
- That the full report was presented to the meeting of the Committee of Management of the reporting unit on 27TH June 2008; in accordance with section 266 of the RAO Schedule

 27/6/08

STATE SECRETARY
*CONSTRUCTION FORESTRY
MINING AND ENERGY UNION,
CONSTRUCTION & GENERAL DIVISION
NSW DIVISIONAL BRANCH*

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
NEW SOUTH WALES DIVISIONAL BRANCH

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007



CONTENTS

1 – 3	Operating Report
4 - 5	Committee of Management Statement
6 - 7	Independent Audit Report to the Members
8	Income Statement
9	Balance Sheet
10	Statement of Changes in Accumulated Funds and Reserves
11	Cash Flow Statement
12 – 32	Notes to the Financial Statements

OPERATING REPORT

The Committee of Management of the Construction, Forestry, Mining and Energy Union Construction and General Division, New South Wales Divisional Branch ("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:

Name	Position	Period of Appointment	Name	Position	Period of Appointment
Mr Peter McClelland	Division President	1/1/07 – 31/12/07	Mr T Grover	COM Member	1/1/07 – 31/12/07
Mr Andrew Ferguson	Division Secretary	1/1/07 – 31/12/07	Mr B Hemsworth	COM Member	1/1/07 – 31/12/07
Mr Brian Parker	Assistant Secretary	1/1/07 – 31/12/07	Mr G Ioannou	COM Member	1/1/07 – 31/12/07
Mr Peter Zaboyak	Assistant Secretary	1/1/07 – 31/12/07	Mr M Jones	COM Member	1/1/07 – 31/12/07
Mr L Abarca	COM Member	23/2/07 – 31/12/07	Mr L Lawson	COM Member	1/1/07 – 31/12/07
Mr S Andrew	COM Member	30/3/07 – 31/12/07	Mr J Magee	COM Member	1/1/07 – 31/12/07
Mr R Archer	COM Member	1/1/07 – 31/12/07	Mr I Majewski	COM Member	30/3/07 – 31/12/07
Mr M Barrios	COM Member	1/1/07 – 31/12/07	Mr M McAliney	COM Member	29/6/07 – 31/12/07
Mr R Board	COM Member	1/1/07 – 23/2/07	Mr M McBride	COM Member	1/1/07 – 29/6/07
Mr N Botic	COM Member	1/1/07 – 30/3/07	Mr D McNamara	COM Member	1/1/07 – 31/12/07
Ms C Brokenborough	COM Member	1/1/07 – 31/12/07	Mr D Milutin	COM Member	1/1/07 – 23/2/07
Mr J Burns	COM Member	30/3/07 – 31/12/07	Mr A Ouakrim	COM Member	23/2/07 – 31/12/07
Mr S Costigan	COM Member	23/2/07 – 31/12/07	Mr D Pilarinos	COM Member	1/1/07 – 23/2/07
Mr W Docherty	COM Member	1/1/07 – 23/2/07	Mr J Pineiro	COM Member	1/1/07 – 31/12/07
Mr P Dunbar	COM Member	30/3/07 – 31/12/07	Mr G Preston	COM Member	1/1/07 – 31/12/07
Mr G Flynn	COM Member	1/1/07 – 31/12/07	Mr L Quill	COM Member	1/1/07 – 31/12/07
Mr P Fullerton	COM Member	1/1/07 – 23/2/07	Mr C Sgroi	COM Member	1/1/07 – 31/12/07
Mr B Gay	COM Member	1/1/07 – 31/8/07	Mr L Valesini	COM Member	31/8/07 – 31/12/07
Mr P Genovese	COM Member	1/1/07 – 31/12/07	Mr A Zdrilic	COM Member	1/1/07 – 31/12/07
Mr D Greenfield	COM Member	1/1/07 – 30/3/07			

Principal Activities

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

- The negotiation of enterprise bargaining agreements and project agreements to improve wage rates and conditions of employment for members.
- The election and training of workplace Union delegates to strengthen workers rights.
- The systematic checking of sites by Union organisers to maintain and improve workplace safety.
- The recruitment of members to the Union to increase Union strength.
- The training of Union officials and staff to better equip the Union to effectively represent and organise workers.
- The audit of employers to ensure compliance with agreement, award and statutory obligations.
- Assistance to workers and sub-contract companies unpaid when contractors go bust.

OPERATING REPORT (Continued)

Principal Activities (Continued)

- Representation and assistance to injured workers to assist them in respect of workers compensation and return to work.
- Representation and assistance to members unfairly sacked and victimised.
- The variation of awards to enhance the rights and entitlements of workers.
- Involvement in the broader trade union movement to strengthen trade union unity and influence.
- Media and other communications to our members and the broader community on issues affecting the rank and file to improve worker and community understanding of the role and relevance of the CFMEU and trade unionism.
- International Trade Union Unity.
- Campaigns against unjust and repressive labour laws introduced by the Federal Liberal Government.

Results of Activities

The result for the year was a loss of \$182,611 (2006: Loss of \$1,441,262).

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 significant changes in the Union's financial affairs during the year.

Membership of the Union

There were 19,487 active members of the Union as at 31 December 2007 (2006: 23,259).

OPERATING REPORT (Continued)

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

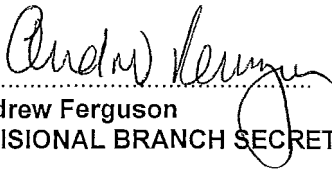
As at 31 December 2007 the Union employed 65 full time and 5 part time employees (2006: 75 full time and 7 part time employees).

Superannuation Trustees

Mr A Ferguson is the Secretary of the Union and holds an alternate directorship on the Board of United Super Pty Ltd, which acts as Trustee of C Bus.

No officer or member of the Union acts as a trustee of a superannuation entity or an exempt public sector superannuation scheme; or as a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Signed on behalf of the Committee of Management by:



Andrew Ferguson
DIVISIONAL BRANCH SECRETARY

Dated this 16th day of May 2008.

COMMITTEE OF MANAGEMENT STATEMENT

On 2nd May 2008 the Committee of Management of Construction, Forestry, Mining and Energy Union (New South Wales Branch) Construction and General Division ("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:

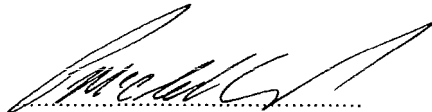
The Committee of Management declares in relation to the GPFR that in its opinion:

- (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;
 - (ii) the financial affairs of the Union have been managed in accordance with the rules of the Union;
 - (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 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.
- (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 Union 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 Union 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

COMMITTEE OF MANAGEMENT STATEMENT (Continued)

- (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.

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



Peter McClelland
DIVISIONAL BRANCH PRESIDENT



Brian Parker
DIVISIONAL BRANCH ASSISTANT SECRETARY

Dated this 16th day of May 2008.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF THE CONSTRUCTION FORESTRY MINING & ENERGY UNION, CONSTRUCTION & GENERAL
DIVISION, NEW SOUTH WALES DIVISIONAL BRANCH**

Report on the Financial Report

We have audited the accompanying financial report of the Construction Forestry Mining & Energy Union Construction & General Division New South Wales Divisional Branch ("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.

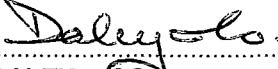
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF THE CONSTRUCTION FORESTRY MINING & ENERGY UNION, CONSTRUCTION & GENERAL
DIVISION, NEW SOUTH WALES DIVISIONAL BRANCH**
Continued...

AUDIT OPINION

In our opinion, the general purpose financial report of the Construction Forestry Mining & Energy Union Construction & General Division New South Wales Divisional Branch 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 16th day of May 2008.

Liability limited by a scheme approved under Professional Standards Legislation

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

	NOTE	2007 \$	2006 \$
Operating Revenue	2	7,846,578	8,084,638
Other Income	2	38,155	27,869
		<u>7,884,733</u>	<u>8,112,507</u>
Employee Benefits Expense		(5,331,814)	(6,081,443)
Depreciation Expense		(258,823)	(345,849)
Sustentation Fees		(535,823)	(574,340)
Legal Fees		(127,893)	(282,668)
Donations		(14,164)	(3,600)
All Other Expenses		(1,798,827)	(2,265,869)
		<u>(8,067,344)</u>	<u>(9,553,769)</u>
Net Loss Attributable to Members		<u>(182,611)</u>	<u>(1,441,262)</u>

The accompanying notes form part of these financial statements.

**BALANCE SHEET
AS AT 31 DECEMBER 2007**

	NOTE	2007 \$	2006 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	3,249,565	3,175,099
Trade and Other Receivables	5	224,827	325,491
Inventories		34,483	-
Other Current Assets	6	180,415	255,143
TOTAL CURRENT ASSETS		<u>3,689,290</u>	<u>3,755,733</u>
NON-CURRENT ASSETS			
Trade and Other Receivables	5	352,340	305,730
Financial Assets	7	3,948	5,760
Investment in Associates	8	100	100
Plant and Equipment	9	539,967	681,960
TOTAL NON-CURRENT ASSETS		<u>896,355</u>	<u>993,550</u>
TOTAL ASSETS		<u>4,585,645</u>	<u>4,749,283</u>
CURRENT LIABILITIES			
Trade and Other Payable	10	964,159	943,012
Short Term Provisions	11	577,767	572,993
Other Current Liabilities	12	137,436	187,865
TOTAL CURRENT LIABILITIES		<u>1,679,362</u>	<u>1,703,870</u>
NON-CURRENT LIABILITIES			
Long Term Provisions	11	998,009	952,445
TOTAL NON-CURRENT LIABILITIES		<u>998,009</u>	<u>952,445</u>
TOTAL LIABILITIES		<u>2,677,371</u>	<u>2,656,315</u>
NET ASSETS		<u>1,908,274</u>	<u>2,092,968</u>
EQUITY			
Accumulated Members' Funds		1,907,473	2,090,084
Reserves	15	801	2,884
NET EQUITY		<u>1,908,274</u>	<u>2,092,968</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
 FOR THE YEAR ENDED 31 DECEMBER 2007**

	NOTE	Accumulated Funds \$	Available – for-Sale Investment Reserve \$	TOTAL \$
Opening Balance as at 1 January 2006		3,531,346	1,986	3,533,332
Net Decrease in Available-for-Sale Financial Assets	1(d)	-	898	898
Loss Attributable to Members		(1,441,262)	-	(1,441,262)
Closing Balance as at 31 December 2006		<u>2,090,084</u>	<u>2,884</u>	<u>2,092,968</u>
Net Increase in Available-for-Sale Financial Assets	1(d)	-	(2,083)	(2,083)
Loss Attributable to Members		(182,611)	-	(183,611)
Closing Balance as at 31 December 2007		<u>1,907,473</u>	<u>801</u>	<u>1,907,274</u>

The accompanying notes form part of these financial statements.

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

	NOTE	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Contributions		6,113,190	6,406,833
Receipts from Customers		2,312,215	2,137,155
Payments to Suppliers and Employees		(8,410,445)	(11,771,044)
Interest Received		178,493	320,953
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	16(b)	<u>193,453</u>	<u>(2,906,103)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Plant and Equipment		(193,853)	(155,502)
Proceeds from Sale of Plant and Equipment		74,866	42,726
Proceeds from Sale of Investments		-	1,788,175
NET CASH (USED IN) / PROVIDED BY INVESTING ACTIVITIES		<u>(118,987)</u>	<u>1,675,399</u>
NET INCREASE / (DECREASE) IN CASH HELD		74,466	(1,230,704)
CASH AT THE START OF FINANCIAL YEAR		<u>3,175,099</u>	<u>4,405,803</u>
CASH AT THE END OF FINANCIAL YEAR	16(a)	<u><u>3,249,565</u></u>	<u><u>3,175,099</u></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 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, New South Wales Divisional Branch (“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.

Separation of the Federally-Registered and State-Registered legal entities

The Construction Forestry Mining and Energy Union Construction and General Division New South Wales Divisional Branch (“the Federally-Registered Union”) has dual registration as being a Federally-Registered Union as well as being a State-Registered Union. The Federally-Registered Divisional Branch and the State-Registered Construction and General Division have the same members, the same Committee of Management members and the same Officials. Legal advice has been obtained that confirms that they are in fact separate legal entities.

These financial statements have been prepared for the Federally-Registered Union’s Divisional Branch.

Under the principles established by the two leading authorities in this area, namely *Moore v. Doyle (1969) 15 FLR 59 (Full Federal Court)* and *McJannet; ex parte Minister for Employment (etc.) Queensland and Another (Full High Court reported at (1997) 189 CLR 654* the Union has prepared and lodged a separate financial report to that of the State Registered Union, being the Construction Forestry Mining and Energy Union (New South Wales Branch).

Accounting Policies

(a) PLANT & EQUIPMENT

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

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

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

(a) PLANT & EQUIPMENT CONTINUED

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

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

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 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.

Depreciation

The depreciation amount of all fixed assets 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>
Furniture, Fittings and Equipment	10 – 20%
Motor Vehicles	20%

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

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

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

(b) INCOME TAX

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

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

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

(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.

(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.

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

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

(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.

(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) INVENTORIES

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

(j) 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).

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

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

(k) 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.

(l) GRANTS

The Union receives grant funding from various sources for varying purposes. Grants are recognised at fair value where there are reasonable assurances that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. All funds received are isolated in the Balance Sheet, from which all expenditures are made. Given that the grant projects generally have an operating period that differs from the financial year-end, amounts are carried forward in the Balance Sheet:

- As an asset where expenditures exceed funding received to the balance date and where such expenditures are recoverable under the Terms of the Grant.
- As a liability where funding received exceeds expenditure to the balance date and the grant is ongoing. Refer to Note 13 "Unexpended Grants Carried Forward".

(m) FUNDS HELD IN TRUST

From time to time the Union will collect voluntary contributions from members, employers and other sources for the furtherance of particular purposes, such as an appeal for the benefit of a member or the members as a group. For accounting purposes, these transactions are not treated as revenue as the Union is only operating as a facilitator to co-ordinate and collect the funds for such appeals. Accordingly, all unspent/untransferred monies have been credited to the "Funds Held in Trust" account, as referred to in Note 13. Under the requirements of the RAO Schedule, these voluntary contributions collected and the remaining balance of these contributions as at year end are not required to be disclosed at Note 26.

(n) 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.

(o) COMPARATIVE INFORMATION

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**

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

(p) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Committee of Management 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 from within the Union.

Key estimates – Impairment

The Union assesses impairment at each reporting date by evaluating conditions specific to the Union and its assets 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.

A provision for impairment continues to be recognised in respect of a loan advanced to an associate of the Union (refer Note 5). The maximum value of the Union's potential impairment loss is limited to the remaining carrying value of the advance of \$312,340. (2006: \$275,730).

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

	NOTE	2007 \$	2006 \$
2. REVENUE			
<i>Operating Revenue</i>			
Attendance Fees		48,033	65,831
BTG Apprentices and Safety Program		79,450	330,389
Membership Contributions		5,557,445	5,824,394
Picnic Sponsorships		232,500	199,792
CFMEU Fighting Fund Receipts		848,551	299,128
CFMEU ATCS Service Fee		938	23,482
Memorial Wall Safety Program		139,202	-
ACTU Rights at Work Campaign Receipts		-	55,599
Government Grants Received – Other		284,227	400,063
Interest and Investment Income		166,564	261,068
EBA Service		56,714	50,200
Other Income		234,393	334,541
Training Courses		3,379	2,200
Shared Services Agreement		195,182	237,951
Total Revenue		<u>7,846,578</u>	<u>8,084,638</u>
<i>Other Revenue</i>			
Gain on Disposal of Assets		38,155	27,869
Total Revenue		<u>7,884,733</u>	<u>8,112,507</u>
3. RESULT FOR THE YEAR			
a) Expenses			
Bad and Doubtful Debts Expense		12,674	3,910
Provision for Loan Impairment – Associate	5	(36,610)	(27,088)
Rental Expense on Operating Leases		64,383	127,765
Loss on Disposal of Fixed Assets		40,312	31,607

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

	NOTE	2007 \$	2006 \$
4. CASH AND CASH EQUIVALENTS			
Cash on Hand		9,450	9,200
Cash at Bank		259,890	206,344
Short Term Deposits		2,980,225	2,959,555
		<u>3,249,565</u>	<u>3,175,099</u>
5. TRADE AND OTHER RECEIVABLES			
Current			
Debtors		126,619	145,245
Provision for Impairment of Receivables		(10,000)	(10,000)
		<u>116,619</u>	<u>135,245</u>
Other Receivables		108,208	190,246
		<u>224,827</u>	<u>325,491</u>
Non Current			
Advances to Associate – Comet Training Trust	(i)	362,544	362,544
LESS: Provision for Impairment		(50,204)	(86,814)
		<u>312,340</u>	<u>275,730</u>
Other Loans and Advances	(ii)	40,000	30,000
		<u>352,340</u>	<u>305,730</u>
<p>i) The funds advanced have no set repayment date, with the timing of cash flows uncertain and dependent on the profitability of the associate. Each balance date an assessment of the recoverable amount is performed, with any excess over the carrying value provided for and charged to the Income Statement, thus ensuring that the carrying value does not exceed its recoverable amount. Refer Note 19(c)(ii).</p> <p>ii) The funds advanced have no set repayment date, with the timing of cash flows uncertain and dependent on the profitability of the loan recipient. Each balance date an assessment of the recoverable amount is performed, with any excess over the carrying value provided for and charged to the Income Statement, thus ensuring that the carrying value does not exceed its recoverable amount.</p>			

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

	2007	2006
	\$	\$
6. OTHER CURRENT ASSETS		
Prepayments	<u>180,415</u>	<u>255,143</u>
7. FINANCIAL ASSETS		
Available for Sale Financial Assets	<u>3,948</u>	<u>5,760</u>
8. INVESTMENT IN ASSOCIATES		
Investment in Associate	<u>100</u>	<u>100</u>

Available-for-sale financial assets comprise investments in the ordinary share capital of a listed entity at fair value. There are no fixed returns or fixed maturity date attached to these investments.

- a) The Union also has an interest in the Comet Training Trust in which it holds a 50% of the issued units. The Union does not have a majority on the Board of the Trustee and accordingly does not control the Trust. Given that the Trust is in a net loss position, equity accounting has been applied to the extent of writing the investment in the Associate to its original investment of \$100. Further losses have not been provided for in light of the guarantees provided by the Directors of the Trustee company to support the Trust.

An impairment loss has, however, been recognised on the loan funds advanced to the trust, to the extent of the Union's share of the net asset deficiency (refer Note 5).

There were no capital commitments relating to the investment in the associate and no contingent liabilities or other commitments relating to the associate.

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

	2007 \$	2006 \$
9. PLANT AND EQUIPMENT		
Furniture, Fittings and Equipment		
At Cost	1,094,505	1,621,001
Provision for Depreciation	(808,670)	(1,324,915)
	<u>285,835</u>	<u>296,086</u>
Motor Vehicles		
At Cost	1,232,488	1,356,822
Provision for Depreciation	(988,870)	(1,018,323)
	<u>243,618</u>	<u>338,499</u>
Leasehold Improvements		
At Cost	11,966	55,637
Provision for Amortisation	(1,452)	(8,262)
	<u>10,514</u>	<u>47,375</u>
TOTAL PLANT & EQUIPMENT	<u>539,967</u>	<u>681,960</u>

(a) **Movements in Carrying Amounts**

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

	FURNITURE, FITTINGS & EQUIPMENT \$	MOTOR VEHICLES \$	LEASEHOLD IMPROVEMENTS \$	TOTAL \$
Balance at Start of Year	296,086	338,499	47,375	681,960
Additions	54,424	128,207	11,222	193,853
Disposals	-	(38,432)	(38,591)	(77,023)
Depreciation/Amortisation	(64,675)	(184,656)	(9,492)	(258,823)
Carrying Amount at End of Year	<u>285,835</u>	<u>243,618</u>	<u>10,514</u>	<u>539,967</u>

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

	NOTE	2007 \$	2006 \$
10. TRADE AND OTHER PAYABLE			
Payables – Legal Matters		86,847	129,707
Payables – Other		547,569	515,483
Payables – Related Parties	19(c)(iii)	329,743	297,822
		<u>964,159</u>	<u>943,012</u>

11. PROVISIONS

	PROVISION FOR ANNUAL LEAVE \$	PROVISION FOR LSL \$	OTHER EMPLOYEE ENTITLEMENTS \$	TOTAL \$
Opening balance at Start of Year	688,501	781,031	55,906	1,525,438
Additional provisions	499,350	140,918	228,753	869,021
Amounts used	(507,973)	(83,079)	(227,631)	(818,683)
Balance at End of Year	<u>679,878</u>	<u>838,870</u>	<u>57,028</u>	<u>1,575,776</u>

(a) Analysis of ageing of provisions

Current	577,767	572,993
Non-current	998,009	952,445
	<u>1,575,776</u>	<u>1,525,438</u>

(b) Total Employee Benefits Attributable to:

Office Holders	251,424	242,406
Staff	1,324,352	1,283,032
	<u>1,575,776</u>	<u>1,525,438</u>

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

		2007 \$	2006 \$
12. OTHER CURRENT LIABILITIES			
Funds Held in Trust		84,416	74,696
Unexpended Grants Carried Forward	13	53,020	113,169
		137,436	187,865
13. GRANTS			
Unexpended Grants Brought Forward (Net)		113,169	34,336
Grants Received		284,227	406,766
Grant Expenditures		(344,376)	(327,933)
Closing Unexpended Grants (Net)		53,020	113,169
<u>Recorded as:</u>			
Unexpended Grants Carried Forward	12	53,020	113,169
14. CAPITAL AND LEASING COMMITMENTS			
(a) OPERATING LEASE COMMITMENTS			
<p>The 2006 operating lease commitment was in respect of the Union's sub-lease of floor area within the premises situated at Sussex Street, Sydney. The Union was able to cease the lease at any time without penalty. Accordingly the maximum amount committed was one months rent (including GST).</p> <p>The Union vacated these premises during the 2007 year and relocated within the CFMEU Construction and General National Division office building in Pitt Street, Sydney. The Union does not have an operating lease in place in respect of these premises.</p>			
<p>The total operating lease commitment:-</p>			
• Due within 1 year		-	10,517

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

	NOTE	2007 \$	2006 \$
15. RESERVES			
Available-for-Sale Investment Reserve			
Opening balance		2,884	1,986
Change in fair value during the year		(2,083)	898
Closing balance		<u>801</u>	<u>2,884</u>

This reserve records unrealised gains and losses on Available-for-Sale investments measured at fair value.

16. CASH FLOW INFORMATION

(a) RECONCILIATION OF CASH

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

Cash on Hand and at Bank	4	<u>3,249,565</u>	<u>3,175,099</u>
--------------------------	---	------------------	------------------

(b) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH OPERATING RESULT

Operating Loss for the Year		(182,611)	(1,441,262)
Non Cash Items:			
Depreciation		258,823	345,849
Investment Income – Non Cash Distribution		(271)	(358)
Net Loss / (Profit) on Disposal of Non Current Assets		2,157	3,738
Provision for Impairment		(36,610)	(27,088)
Changes in Assets and Liabilities:			
(Increase)/Decrease in Debtors		18,626	(40,923)
(Increase)/Decrease in Other Receivables		82,039	(4,167)
(Increase)/Decrease in Inventories		(34,483)	-
(Increase)/Decrease in Prepayments		74,728	(27,159)
Increase/(Decrease) in Loans and Advances		(10,000)	-
Increase/(Decrease) in Creditors		21,146	(1,570,989)
Increase/(Decrease) in Employee Provisions		50,338	(187,954)
Increase/(Decrease) in Monies in Trust		9,720	(34,623)
Increase/(Decrease) in Grants		(60,149)	78,833
NET CASH FLOWS FROM OPERATING ACTIVITIES		<u>193,453</u>	<u>(2,906,103)</u>

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

17. FINANCIAL INSTRUMENTS

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivables and payable and loans to related parties. The Union does not have any derivative instruments at balance date. The main risks the Union is exposed to through its financial instruments are interest rate risk and credit risk.

(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:

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATES	FLOATING INTEREST RATE	FIXED INTEREST RATE MATURING		NON INTEREST BEARING	TOTAL
			WITHIN 1 YEAR	BETWEEN 1 & 5 YEARS		
2007						
Financial Assets	%	\$	\$	\$	\$	\$
Cash and Cash Equivalents	6.19	259,890	2,980,225	-	9,450	3,249,565
Trade and Other Receivables	-	-	-	-	577,167	577,167
Available for Sale Assets	-	-	-	-	3,948	3,948
Total Financial Assets		<u>259,890</u>	<u>2,980,225</u>	<u>-</u>	<u>590,565</u>	<u>3,830,680</u>
Financial Liabilities						
Trade and Other Payables	-	-	-	-	964,159	964,159
Total Financial Liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>964,159</u>	<u>964,159</u>
2006						
Financial Assets						
Cash and Cash Equivalents	5.80	206,344	2,959,555	-	9,200	3,175,099
Trade and Other Receivables	-	-	-	-	631,221	631,221
Available for Sale Assets	-	-	-	-	5,760	5,760
Total Financial Assets		<u>206,344</u>	<u>2,959,555</u>	<u>-</u>	<u>646,181</u>	<u>3,812,080</u>
Financial Liabilities						
Trade and Other Payables	-	-	-	-	943,012	943,012
Total Financial Liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>943,012</u>	<u>943,012</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 receivable or group of receivables 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.

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

	2007	2006
	\$	\$
18. CONTINGENT LIABILITIES		
(a) Estimates of the maximum amounts of contingent liabilities that may become payable in respect of:-		
- Legal proceedings against the Union and two officials in the Federal Court for alleged breaches of the Workplace Relations Act. Some breaches found – estimate of exposure to penalties.	79,000	15,000
- Legal proceedings against the Union in the Federal Court for alleged breaches of the Trade Practices Act, including damages. The Union is defending these matters.	30,000	300,000
- Legal proceedings against the Union and one official in the Federal Magistrates Court for alleged breaches of the Workplace Relations Act. The Union is defending this matter.	242,800	-
- Legal proceedings against a Union official to revoke a Right of Entry permit. The Union is defending the matter.	40,000	-
	391,800	315,000

- (b) The Union and specified officials are being sued for as yet unspecified damages in an action arising from an alleged industrial dispute. The Committee of Management 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.

19. 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. Peter McClelland (President)
 Mr. Andrew Ferguson (Secretary)

Mr. Brian Parker (Assistant Secretary)
 Mr. Peter Zaboyak (Assistant Secretary)

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

19. RELATED PARTY INFORMATION CONTINUED...

(a) MEMBERS OF THE COMMITTEE OF MANAGEMENT CONTINUED...

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

Mr L Abarca	Mr P Fullerton	Mr M McBride
Mr S Andrew	Mr B Gay	Mr D McNamara
Mr R Archer	Mr P Genovese	Mr D Milutin
Mr M Barrios	Mr D Greenfield	Mr A Ouakrim
Mr R Board	Mr T Grover	Mr D Pilarinos
Mr N Botic	Mr B Hemsworth	Mr J Pineiro
Ms C Brokenborough	Mr G Ioannou	Mr G Preston
Mr J Burns	Mr M Jones	Mr L Quill
Mr S Costigan	Mr L Lawson	Mr C Sgroi
Mr W Docherty	Mr J Magee	Mr L Valesini
Mr P Dunbar	Mr I Majewski	Mr A Zdrilic
Mr G Flynn	Mr M McAliney	

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

(b) RELATED PARTY TRANSACTIONS

Associated entities

- i) During the year the loan to the Comet Training Trust was reviewed for recoverability and resulted in an impairment provision write back of \$36,610 (2006: \$27,088 write back) being added to the Income Statement.

Other related parties

- ii) Sustentation fees totaling \$535,823 (2006: \$574,340) were paid to the Construction, Forestry, Mining and Energy Union, Construction and General National Office during the year. The cash outflows relating to these fees were \$266,840 (2006: \$288,533).
- iii) Fighting fund levies totaling \$61,630 (2006: \$65,910) were charged by the Construction, Forestry, Mining and Energy Union, Construction and General National Office during the year, as contributions towards the 2007 Federal Election campaign.
- iv) From time to time the Construction, Forestry, Mining and Energy Union, Construction and General National Office incurs expenditures on behalf of a number of divisions and branches of the CFMEU, including the Union. These expenditures are then reimbursed at cost and hence they are not considered to be related party transactions that require further disclosure.
- v) The Union collects rental income and makes property related payments on behalf of the State-Registered Union being the Construction, Forestry, Mining and Energy Union (New South Wales Branch). These transactions flow directly through to the State-Registered Union without adjustment, having no Income Statement effect and hence are not considered to be related party transactions that require further disclosure.
- vi) \$7,491 (2006: nil) was charged by the Construction, Forestry, Mining and Energy Union, Construction and General National Office for the establishment and continued operation of the Darwin Branch. The costs were charged to a number of divisions and branches of the CFMEU, based on financial member numbers.

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

19. RELATED PARTY INFORMATION CONTINUED...

(C) RELATED PARTY BALANCES

Associated entities

- i) As at balance date there was a loan of \$362,544 previously advanced to the Comet Training Trust, excluding the applicable provision for impairment (2006: \$362,544). Refer Note 5.

Other related parties

- ii) As at balance date, sustentation fees payable to the Construction, Forestry, Mining and Energy Union, Construction and General National Office were \$295,824 (2006: \$285,807).
- iii) As at balance date, net property fees payable of \$329,743 (2006: \$297,822) referred to above at item (b)(v), were owed to the State-Registered Union being the Construction, Forestry, Mining and Energy Union (New South Wales Branch).
- iv) As at balance date, amounts payable of \$8,241 (2006: nil) were owed to the Construction, Forestry, Mining and Energy Union, Construction and General National Office in respect of Darwin Office expenses, refer item (b)(vi) above.

20. KEY MANAGEMENT PERSONNEL COMPENSATION

Total Compensation of Key Management Personnel

	2007	2006
	\$	\$
Short Term Benefits	383,236	398,756
Post Employment Benefits	43,610	42,115
Other Long Term Benefits	10,647	4,900
Termination benefits	39,518	22,146
	<u>477,011</u>	<u>467,917</u>

21. AUDITOR'S REMUNERATION

Amounts received, or due and receivable by the auditor for:

• Auditing the Financial Report	19,600	29,800
• Accounting Services	30,890	21,686
TOTAL	<u>50,490</u>	<u>51,486</u>

22. 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 12 Railway Street, Lidcombe, NSW, 2141.

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

23. 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 2nd May 2008 by the Committee of Management.

24. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of (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 the Union, or a Registrar, may apply to the Union for specified prescribed information in relation to the Union 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 Union
- (3) The Union must comply with an application made under subsection (1).

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

25. 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
	\$	\$
PROFIT AND LOSS DISCLOSURES		
ITEMS OF REVENUE		
(a) Entrance fees or periodic subscriptions in respect of membership of the organisation	5,557,445	5,824,394
(b) Compulsory levies raised from the members or as appeals for voluntary contributions for the furtherance of particular purposes:		
- CFMEU Fighting Fund Donations	848,551	299,128
- Tower Crane OH&S Fund	19,085	12,611
- ACTU Rights at Work Campaign	(37)	55,599
All proceeds disclosed above are taken up as income and transferred into consolidated revenue at the end of each financial year, as there is no requirement to set aside these proceeds for the purposes of any specific expenditure.		
(c) Donations or Grants	284,227	400,063
ITEMS OF EXPENSE		
Expenses incurred as consideration for employers making payroll deductions of membership subscriptions	61	116
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	44,105	55,347
Grants or donations	358,539	331,295

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

25. ADDITIONAL DISCLOSURES REQUIRED UNDER THE RAO SCHEDULE CONTINUED...

	2007	2006
	\$	\$
ITEMS OF EXPENSE CONTINUED...		
Employee Benefits to:		
- Holders of office	296,258	311,574
- Employees (Other than holders of office)	3,933,358	4,607,938
	<u>4,229,616</u>	<u>4,919,512</u>
Fees or allowances to persons in respect of their attendance as representatives of the Union at conferences or other meetings	321	7,384
Legal costs and other expenses related to litigation or other legal matters	127,893	282,668
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	949	-
Penalties imposed on the Union under the Act or Regulations	7,050	23,250
OTHER BALANCES		
Transfers to a fund or account kept for a specific purpose by the Union or withdrawals from such a fund or account (being a reimbursement of costs incurred by the CFMEU):		
- From ALP Election Funds from funds collected	5,450	-
- From David Hicks Statement Appeal from funds collected	1,900	-
- From Nick Blesdale Fund from funds collected	3,000	-
	<u>10,350</u>	<u>-</u>
- To the Fighting Fund from:		
- ALP Election Fund	5,000	-

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

**26. STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY
- CASH BASIS – FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 \$	2006 \$
Cash Assets in respect of recovered money at beginning of year	(86)	12,174
RECEIPTS		
Amounts recovered from employers in respect of wages etc	746,341	829,403
Interest received on recovered money	117	129
TOTAL RECEIPTS	746,458	829,532
PAYMENTS		
Deductions of amounts due in respect of membership for:		
• 12 months or less	36,816	32,657
• Greater than 12 months	1,838	1,524
Deductions of donations or other contributions to accounts or funds of:		
• The reporting unit - Fighting Fund	17,759	41,533
• Other Entities:-		
◇ ACTU Rights at Work Campaign	-	500
◇ Australian People Health & Education Development Abroad (APHEDA)	-	333
◇ Barry Hemsworth Campaign	190	415
◇ Lebanese Medical Appeal	-	500
◇ May Day Raffle Tickets	-	50
◇ Wollongong Hospital Child Services	-	333
◇ Picnic Fund	550	200
◇ ACIRT	9,985	6,240
◇ C Bus	57,313	68,095
◇ Refund to Employers	557	45,644
Deductions of Fees or reimbursements of expenses	88	349
Payments to workers in respect of recovered money	621,334	643,419
TOTAL PAYMENTS	746,430	841,792
Cash Assets in respect of recovered money at end of year *	(58)	(86)
Bank fees to be reimbursed	(58)	(86)
Balance of Wage Claim Account	(58)	(86)
Reconciled Balance of Wage Claim Bank Account *	(58)	(86)
(a) Number of workers to which receipts recovered from employers relate	314	319
(b) Number of workers to which undistributed wage recoveries relate	-	-

* The statement balance on the above bank account is actually in funds, however it has moved into overdraft after allowing for \$58 of bank charges. An amount of \$58 was deposited into this bank account on 11 January 2008 to cover those charges.



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: FR2007/541-[105N-NSW]

Mr Andrew Ferguson
Branch Secretary
CFMEU - Construction and General Division, New
South Wales Divisional Branch
Locked Bag 1
LIDCOMBE NSW 1825

Dear Mr Ferguson

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:

- [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".

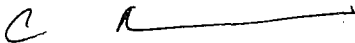
Extensions of Time

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

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

For Deputy Industrial Registrar...
21 January 2008

Attachment B

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*