



Fair Work Australia

Mr Tom Roberts
National Legal Officer
Construction, Forestry, Mining and Energy Union
PO Box Q235, QVB Post Office
SYDNEY NSW 1230

Dear Mr Roberts



Lodgment of Financial Accounts and Statements – s268 Schedule 1 of *Workplace Relations Act 1996* (RAO Schedule) - Construction, Forestry, Mining and Energy Union, Construction and General Division, New South Wales Divisional Branch – for year ending 31 December 2008 (FR2008/570)

I refer to the abovementioned financial accounts and statements which were lodged in the Industrial Registry on 30 June 2009.

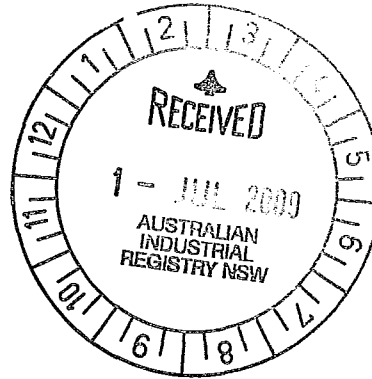
The documents have been filed.

Yours sincerely,

Stephen Kellett
Statutory Services Branch

17 July 2009

TR/nd.returns



30th June, 2009

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



Dear Sir/Madam,

**Re: Financial Returns
And Loans, Grants & Donations Return.**

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, 2008.

Also enclosed is the Loans, Grants & Donations Return for 2008 from the NSW Branch

Please confirm receipt at your earliest convenience.

Yours faithfully,

A handwritten signature in black ink 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, Malcolm Tulloch, being the Acting 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 4th June 2009; and
- That the full report was presented to the meeting of the Committee of Management of the reporting unit on 26TH June 2009; in accordance with section 266 of the RAO Schedule

A handwritten signature in black ink, appearing to be 'Malcolm Tulloch', is written over a dotted line.

26/6/09

ACTING 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 2008**

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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 2008.

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	1/1/08 – 31/12/08	Mr T Grover	COM Member	1/1/08 – 31/12/08
Mr Andrew Ferguson	Division Secretary	1/1/08 – 31/12/08	Mr B Hemsworth	COM Member	1/1/08 – 31/12/08
Mr Brian Parker	Assistant Secretary	1/1/08 – 31/12/08	Mr G Ioannou	COM Member	1/1/08 – 31/12/08
Mr Malcolm Tulloch	Assistant Secretary	1/7/08 – 31/12/08	Mr M Jones	COM Member	1/1/08 – 31/12/08
Mr Peter Zaboyak	Assistant Secretary	1/1/08 – 10/4/08	Mr L Lawson	COM Member	1/1/08 – 31/12/08
Mr L Abarca	COM Member	1/1/08 – 31/12/08	Mr J Magee	COM Member	1/1/08 – 31/12/08
Mr S Andrew	COM Member	1/1/08 – 31/12/08	Mr I Majewski	COM Member	1/1/08 – 31/12/08
Mr R Archer	COM Member	1/1/08 – 31/12/08	Mr M McAliney	COM Member	1/1/08 – 31/12/08
Mr M Barrios	COM Member	1/1/08 – 31/12/08	Mr D McNamara	COM Member	1/1/08 – 31/12/08
Ms C Brokenborough	COM Member	1/1/08 – 31/12/08	Mr J Pineiro	COM Member	1/1/08 – 31/12/08
Mr J Burns	COM Member	1/1/08 – 31/12/08	Mr G Preston	COM Member	1/1/08 – 31/12/08
Mr S Costigan	COM Member	1/1/08 – 31/12/08	Mr L Quill	COM Member	1/1/08 – 31/12/08
Mr P Dunbar	COM Member	1/1/08 – 31/12/08	Mr C Sgroi	COM Member	1/1/08 – 31/12/08
Mr G Flynn	COM Member	1/1/08 – 31/12/08	Mr L Valesini	COM Member	1/1/08 – 31/12/08
Mr P Genovese	COM Member	1/1/08 – 31/12/08	Mr A Zdrilic	COM Member	1/1/08 – 31/12/08

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 to abolish the Australian Building & Construction Commission (ABCC) and repeal the Building and Construction Industry Improvement Act 2005.

Results of Activities

The result for the year was a loss of \$152,226 (2007: Loss of \$182,611).

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 Union's financial affairs during the year.

Membership of the Union

There were 20,620 active members of the Union as at 31 December 2008 (2007: 19,487).

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 2008 the Union employed 67 full time and 5 part time employees (2007: 65 full time and 5 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:



.....
Malcolm Tulloch
ACTING DIVISIONAL BRANCH SECRETARY

Dated this 25th day of May 2009.

COMMITTEE OF MANAGEMENT STATEMENT

On 27th March 2009 the Committee of Management of the Construction, Forestry, Mining and Energy Union Construction and General Division, New South Wales Divisional Branch ("the Union"), passed the following resolution in relation to the general purpose financial report (GPFR) of the Union, for the financial year ended 31 December 2008:

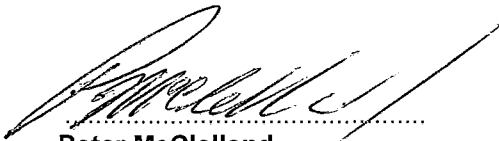
The Committee of Management declares in relation to the GPFR that in its opinion:

- (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 25th day of May 2009.

**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 2008 and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of the significant accounting policies and other explanatory notes and the 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 (encompassing the Union's recovery of wages activity). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Audit Responsibility

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

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

Independence

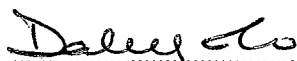
In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

**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 2008 and of its performance for the year ended on that date; and
 - (ii) Complying with Accounting Standards (including the Australia Accounting Interpretations); and
- (b) In relation to recovery of wages activity, that the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the Industrial Registrar, including:
 - (i) Any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
 - (ii) Any donations or other contributions deducted from recovered money; and
- (c) 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 25th day of May 2009.

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

	NOTE	2008 \$	2007 \$
Operating Revenue	2	8,412,983	7,846,578
Other Income	2	94,246	38,155
Employee Benefits Expense		(5,678,115)	(5,331,814)
Depreciation Expense		(232,119)	(258,823)
Sustentation Fees		(603,487)	(535,823)
Legal Fees		(199,281)	(127,893)
Donations		(7,305)	(14,164)
All Other Expenses		(1,939,148)	(1,798,827)
Result Attributable to Members Before Income Tax		<u>(152,226)</u>	<u>(182,611)</u>
Income Tax Expense	1(b)	-	-
Result Attributable to Members After Income Tax		<u>(152,226)</u>	<u>(182,611)</u>

The accompanying notes form part of these financial statements.

**BALANCE SHEET
AS AT 31 DECEMBER 2008**

	NOTE	2008 \$	2007 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	2,721,473	3,249,565
Trade and Other Receivables	5	157,108	224,827
Inventories		31,945	34,483
Other Current Assets	6	247,064	180,415
TOTAL CURRENT ASSETS		<u>3,157,590</u>	<u>3,689,290</u>
NON-CURRENT ASSETS			
Trade and Other Receivables	5	393,588	352,340
Financial Assets	7	3,952	3,948
Investment in Associates	8	100	100
Plant and Equipment	9	961,739	539,967
TOTAL NON-CURRENT ASSETS		<u>1,359,379</u>	<u>896,355</u>
TOTAL ASSETS		<u>4,516,969</u>	<u>4,585,645</u>
CURRENT LIABILITIES			
Trade and Other Payables	10	952,009	964,159
Short Term Provisions	11	609,269	577,767
Other Current Liabilities	12	130,495	137,436
TOTAL CURRENT LIABILITIES		<u>1,691,773</u>	<u>1,679,362</u>
NON-CURRENT LIABILITIES			
Long Term Provisions	11	1,069,366	998,009
TOTAL NON-CURRENT LIABILITIES		<u>1,069,366</u>	<u>998,009</u>
TOTAL LIABILITIES		<u>2,761,139</u>	<u>2,677,371</u>
NET ASSETS		<u>1,755,830</u>	<u>1,908,274</u>
EQUITY			
Accumulated Members' Funds		1,755,247	1,907,473
Reserves	14	583	801
NET EQUITY		<u>1,755,830</u>	<u>1,908,274</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
 FOR THE YEAR ENDED 31 DECEMBER 2008**

	NOTE	Accumulated Funds \$	Available – for-Sale Investment Reserve \$	TOTAL \$
Opening Balance as at 1 January 2007		2,090,084	2,884	2,092,968
Net Decrease in Available-for-Sale Financial Assets	1(d)	-	(2,083)	(2,083)
Loss Attributable to Members		(182,611)	-	(182,611)
Closing Balance as at 31 December 2007		<u>1,907,473</u>	<u>801</u>	<u>1,908,274</u>
Net Decrease in Available-for-Sale Financial Assets	1(d)	-	(218)	(218)
Loss Attributable to Members		(152,226)	-	(152,226)
Closing Balance as at 31 December 2008		<u>1,755,247</u>	<u>583</u>	<u>1,755,830</u>

The accompanying notes form part of these financial statements.

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

	NOTE	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Contributions		6,724,258	6,113,190
Receipts from Customers		2,333,736	2,312,215
Payments to Suppliers and Employees		(9,212,332)	(8,410,445)
Interest Received		187,884	178,493
NET CASH PROVIDED BY OPERATING ACTIVITIES	15(b)	<u>33,546</u>	<u>193,453</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Plant and Equipment		(678,500)	(193,853)
Proceeds from Sale of Plant and Equipment		116,862	74,866
NET CASH USED IN INVESTING ACTIVITIES		<u>(561,638)</u>	<u>(118,987)</u>
NET (DECREASE) / INCREASE IN CASH HELD		(528,092)	74,466
CASH AT THE START OF FINANCIAL YEAR		<u>3,249,565</u>	<u>3,175,099</u>
CASH AT THE END OF FINANCIAL YEAR	15(a)	<u><u>2,721,473</u></u>	<u><u>3,249,565</u></u>

The accompanying notes form part of these financial statements.

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report 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.

Basis of Preparation

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.

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

The financial report has been prepared on an accruals basis, except where specifically stated, and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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.

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

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

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

(a) PLANT & EQUIPMENT CONTINUED

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.

Property, Plant and equipment that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

Depreciation

The depreciation amount of all fixed assets including capitalised lease assets, is depreciated on a straight line basis over their useful lives to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

<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.

(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, are transferred to the Union are classified as finance leases.

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

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

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

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

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

(d) FINANCIAL INSTRUMENTS

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Union becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

Loans and Receivables

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

Held-to-Maturity Investments

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

Available-for-Sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

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

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

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 the future economic benefits of the asset are not primarily dependent upon on the assets ability to generate net cash inflows and when the Union would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

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

(f) EMPLOYEE BENEFITS

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to Balance Sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the net present value.

Contributions are made by the Union to an employee superannuation fund and are charged as expenses when incurred.

(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.

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

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

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

(j) REVENUE CONTINUED

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the balance sheet.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

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

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

(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.

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

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

(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.

(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 \$353,588 (2007: \$312,340).

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

	NOTE	2008 \$	2007 \$
2. REVENUE			
<i>Revenue</i>			
Attendance Fees		55,442	48,033
BTG Apprentices and Safety Program		162,522	79,450
Membership Contributions		6,112,962	5,557,445
Picnic Sponsorships		253,163	232,500
CFMEU Fighting Fund Receipts		661,664	848,551
CFMEU ATCS Service Fee		-	938
Memorial Wall Safety Program		190,189	139,202
Government Grants Received – Other		332,743	284,227
Interest and Investment Income		184,439	166,564
EBA Service		59,356	56,714
Other Income		197,922	234,393
Training Courses		6,943	3,379
Shared Services Agreement		195,638	195,182
Total Revenue		<u>8,412,983</u>	<u>7,846,578</u>
<i>Other Revenue</i>			
Gain on Disposal of Assets		94,246	38,155
Total Revenue		<u>8,507,229</u>	<u>7,884,733</u>

3. RESULT FOR THE YEAR

a) Expenses

Bad and Doubtful Debts Expense		109	12,674
Provision for Loan Impairment – Associate	5	(41,248)	(36,610)
Rental Expense on Operating Leases		36,818	64,383
Loss on Disposal of Fixed Assets		1,996	40,312

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

	NOTE	2008 \$	2007 \$
4. CASH AND CASH EQUIVALENTS			
Cash on Hand		9,500	9,450
Cash at Bank		552,497	259,890
Short Term Deposits		2,159,476	2,980,225
		<u>2,721,473</u>	<u>3,249,565</u>
5. TRADE AND OTHER RECEIVABLES			
Current			
Debtors		109,559	126,619
Provision for Impairment of Receivables		(376)	(10,000)
		<u>109,183</u>	<u>116,619</u>
Other Receivables		47,925	108,208
		<u>157,108</u>	<u>224,827</u>
Non Current			
Advances to Associate – Comet Training Trust	(i)	362,544	362,544
LESS: Provision for Impairment		(8,956)	(50,204)
		<u>353,588</u>	<u>312,340</u>
Other Loans and Advances	(ii)	40,000	40,000
		<u>393,588</u>	<u>352,340</u>

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)(i).

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.

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

	2008	2007
	\$	\$
6. OTHER CURRENT ASSETS		
Prepayments	<u>247,064</u>	<u>180,415</u>
7. FINANCIAL ASSETS		
Available for Sale Financial Assets	<u>3,952</u>	<u>3,948</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.

8. INVESTMENT IN ASSOCIATES

Investment in Associate	<u>100</u>	<u>100</u>
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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 2008**

	2008 \$	2007 \$
9. PLANT AND EQUIPMENT		
Furniture, Fittings and Equipment		
At Cost	1,142,340	1,094,505
Provision for Depreciation	(876,577)	(808,670)
	<u>265,763</u>	<u>285,835</u>
Motor Vehicles		
At Cost	1,221,717	1,232,488
Provision for Depreciation	(534,478)	(988,870)
	<u>687,239</u>	<u>243,618</u>
Leasehold Improvements		
At Cost	11,966	11,966
Provision for Amortisation	(3,229)	(1,452)
	<u>8,737</u>	<u>10,514</u>
TOTAL PLANT & EQUIPMENT	<u><u>961,739</u></u>	<u><u>539,967</u></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	285,835	243,618	10,514	539,967
Additions	47,835	630,665	-	678,500
Disposals	-	(24,609)	-	(24,609)
Depreciation/Amortisation	(67,907)	(162,435)	(1,777)	(232,119)
Carrying Amount at End of Year	<u>265,763</u>	<u>687,239</u>	<u>8,737</u>	<u>961,739</u>

	NOTE	2008 \$	2007 \$
10. TRADE AND OTHER PAYABLE			
Payables – Legal Matters		108,586	86,847
Payables – Other		203,760	251,745
Payables – Related Parties	19(c)(ii)	333,868	295,824
Sustentation Fees Payable – Related Parties	19(c)(iii)	352,357	329,743
		<u>998,571</u>	<u>964,159</u>

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

11. PROVISIONS

	PROVISION FOR ANNUAL LEAVE \$	PROVISION FOR LSL \$	OTHER EMPLOYEE ENTITLEMENTS \$	TOTAL \$
Opening balance at Start of Year	679,878	838,870	57,028	1,575,776
Additional provisions	489,490	97,805	219,076	806,371
Amounts used	(427,065)	(59,824)	(216,623)	(703,512)
Balance at End of Year	742,303	876,851	59,481	1,678,635

	2008 \$	2007 \$
(a) Analysis of ageing of provisions		
Current	609,269	577,767
Non-current	1,069,366	998,009
	1,678,635	1,575,776
(b) Total Employee Benefits Attributable to:		
Office Holders	209,658	251,424
Staff	1,468,977	1,324,352
	1,678,635	1,575,776

12. OTHER CURRENT LIABILITIES

Funds Held in Trust		101,199	84,416
Unexpended Grants Carried Forward	13	29,296	53,020
		130,495	137,436

13. GRANTS

Unexpended Grants Brought Forward (Net)		53,020	113,169
Grants Received		332,743	284,227
Grant Expenditures		(356,467)	(344,376)
Closing Unexpended Grants (Net)		29,296	53,020
<u>Recorded as:</u>			
Unexpended Grants Carried Forward	12	29,296	53,020

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

	NOTE	2008 \$	2007 \$
14. RESERVES			
Available-for-Sale Investment Reserve			
Opening balance		801	2,884
Change in fair value during the year		(218)	(2,083)
Closing balance		<u>583</u>	<u>801</u>

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

15. 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 and Cash Equivalents	4	<u>2,721,473</u>	<u>3,249,565</u>
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(b) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH RESULT

Result for the Year		(152,226)	(182,611)
Non Cash Items:			
Depreciation		232,119	258,823
Investment Income – Non Cash Distribution		(222)	(271)
Net (Profit) / Loss on Disposal of Non Current Assets		(92,253)	2,157
Provision for Impairment		(41,248)	(36,610)
Provision for Doubtful Debts		(9,624)	-
Changes in Assets and Liabilities:			
(Increase)/Decrease in Debtors		17,060	18,626
(Increase)/Decrease in Other Receivables		60,283	82,039
(Increase)/Decrease in Inventories		2,538	(34,483)
(Increase)/Decrease in Prepayments		(66,649)	74,728
Increase/(Decrease) in Loans and Advances		-	(10,000)
Increase/(Decrease) in Creditors		(12,150)	21,146
Increase/(Decrease) in Employee Provisions		102,859	50,338
Increase/(Decrease) in Monies in Trust		16,783	9,720
Increase/(Decrease) in Grants		(23,724)	(60,149)
CASH FLOWS FROM OPERATIONS		<u>33,546</u>	<u>193,453</u>

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

16. FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Policies

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

The Committee of Managements' overall risk management strategy seeks to assist the Union in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The Union does not have any derivative instruments at 31 December 2008.

Financial Risk Exposures and Management

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

i. Interest rate risk

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

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

ii. Liquidity risk

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

iii. Credit risk

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

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

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

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

- Only banks with an 'A' rating are utilised.

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

16. FINANCIAL RISK MANAGEMENT CONTINUED...

(b) Financial Instruments Composition and Maturity Analysis

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

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATES	FLOATING INTEREST RATE	FIXED INTEREST RATE MATURING		NON INTEREST BEARING	TOTAL
			WITHIN 1 YEAR	BETWEEN 1 & 5 YEARS		
2008						
Financial Assets	%	\$	\$	\$	\$	\$
Cash & Cash Equivalents	4.05	552,497	2,159,476	-	9,500	2,721,473
Trade & Other Receivables	-	-	-	-	550,696	550,696
Available for Sale Assets	-	-	-	-	3,952	3,952
Total Financial Assets		<u>552,497</u>	<u>2,159,476</u>	<u>-</u>	<u>564,148</u>	<u>3,276,121</u>
Financial Liabilities						
Trade & Other Payables	-	-	-	-	952,009	952,009
Total Financial Liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>952,009</u>	<u>952,009</u>
2007						
Financial Assets						
Cash & Cash Equivalents	6.19	259,890	2,980,225	-	9,450	3,249,565
Trade & 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 & Other Payables	-	-	-	-	964,159	964,159
Total Financial Liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>964,159</u>	<u>964,159</u>

(c) Net Fair Values

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

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

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

16. FINANCIAL RISK MANAGEMENT CONTINUED...

Sensitivity analysis

(i) *Interest rate risk*

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

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

	2008 \$	2007 \$
Change in profit		
— Increase in interest rate by 1%	26,422	30,823
— Decrease in interest rate by 1%	(26,422)	(30,823)
Change in equity		
— Increase in interest rate by 1%	26,422	30,823
— Decrease in interest rate by 1%	(26,422)	(30,823)

17. CAPITAL MANAGEMENT

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

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

	2008 \$	2007 \$
Financial liabilities	-	-
Trade and other payables	952,009	964,159
Total	952,009	964,159
Less: Cash and cash equivalents	(2,721,473)	(3,249,565)
Net debt	Nil	Nil
Total equity	1,755,830	1,908,274
Total capital	1,755,830	1,908,274
Gearing ratio	Nil%	Nil%

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

	2008 \$	2007 \$
18. CONTINGENT LIABILITIES		
(a) Estimates of the maximum amounts of contingent liabilities that may become payable in respect of:-		
- The Union and specified officials are being sued for damages in an action arising from an alleged industrial dispute. The estimate maximum exposure to damages.	300,000	-
- Legal proceedings against the Union and two Union officials for alleged breaches of the Workplace Relations Act and interpretations of the application of the OH&S Act.	80,000	-
- 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.	36,300	-
- 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
- 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
- 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
	416,300	391,800

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. Malcolm Tulloch (Assistant Secretary)
Mr. Andrew Ferguson (Secretary)	Mr. Peter Zaboyak (Assistant Secretary)
Mr. Brian Parker (Assistant Secretary)	

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

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 Genovese	Mr M McAliney
Mr S Andrew	Mr T Grover	Mr D McNamara
Mr R Archer	Mr B Hemsworth	Mr J Pineiro
Mr M Barrios	Mr G Ioannou	Mr G Preston
Ms C Brokenborough	Mr M Jones	Mr L Quill
Mr J Burns	Mr L Lawson	Mr C Sgroi
Mr S Costigan	Mr J Magee	Mr L Valesini
Mr P Dunbar	Mr I Majewski	Mr A Zdrilic
Mr G Flynn		

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 \$41,248 (2007: \$36,610 write back) being added to the Income Statement.

Other related parties

- ii) Sustentation fees totaling \$603,487 (2007: \$535,823) 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 \$625,849 (2007: \$607,911).
- iii) In 2007, Fighting fund levies totaling \$61,630 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 (2008: Nil).
- 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) \$5,178 (2007: \$7,491) 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 2008**

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 (2007: \$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 \$333,868 (2007: \$295,824).
- iii) As at balance date, net property fees payable of \$352,357 (2007: \$329,743) 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 Nil (2007: \$8,241) 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

	2008	2007
	\$	\$
Short Term Benefits	445,788	383,236
Post Employment Benefits	59,415	43,610
Other Long Term Benefits	13,368	10,647
Termination benefits	22,095	39,518
	<u>540,666</u>	<u>477,011</u>

21. AUDITOR'S REMUNERATION

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

• Auditing the Financial Report	20,000	19,600
• Accounting Services	17,769	30,890
TOTAL	<u>37,769</u>	<u>50,490</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 2008**

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 27th March 2009 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).

25. CHANGE IN ACCOUNTING POLICY

The following Australian Accounting Standard is applicable to the Union but is not yet effective and has not been adopted in preparation of the financial statements as at the reporting date.

Under the recent IASB Improvements project, AASB 119 Employee Entitlements has amended the definitions and commentary relating to "short term" and "other long term" employee benefits to make it clear that it is the timing of the employee's entitlement to the benefit rather than the expected timing of the settlement of the benefit that must be the basis of the classification. Therefore, such a balance should be classified as short term because the employee is entitled to be compensated for the leave within 12 months of them rendering the service.

The relevant clarification amendments to AASB 119 are contained in Omnibus 2008-5 which is applicable to financial years beginning on or after 1 January 2009.

These amendments will involve changes to employee entitlement disclosures within the financial report – specifically to the current versus non-current split of liabilities in the Balance Sheet. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report.

Had this policy been applied as at 31 December 2008, \$1,012,300 of non-current provisions would have been reclassified as current liabilities.

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

26. 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:

	2008	2007
	\$	\$
PROFIT AND LOSS DISCLOSURES		
ITEMS OF REVENUE		
(a) Entrance fees or periodic subscriptions in respect of membership of the organisation	6,112,962	5,557,445
(b) Compulsory levies raised from the members or as appeals for voluntary contributions for the furtherance of particular purposes:		
- CFMEU Fighting Fund Donations	661,664	848,551
- Tower Crane OH&S Fund	19,011	19,085
- ACTU Rights at Work Campaign	-	(37)
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	332,743	284,227
ITEMS OF EXPENSE		
Expenses incurred as consideration for employers making payroll deductions of membership subscriptions	143	61
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	45,460	44,105
Grants or donations	363,772	358,539

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

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

	2008	2007
	\$	\$
ITEMS OF EXPENSE CONTINUED...		
Employee Benefits to:		
- Holders of office	388,308	296,258
- Employees (Other than holders of office)	4,088,128	3,933,358
	<u>4,476,436</u>	<u>4,229,616</u>
Fees or allowances to persons in respect of their attendance as representatives of the Union at conferences or other meetings	3,953	321
Legal costs and other expenses related to litigation or other legal matters	199,281	127,893
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	2,304	949
Penalties imposed on the Union under the Act or Regulations	9,555	7,050
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
- From Wage Claims to Visa Workers Fund	5,520	-
	<u>5,520</u>	<u>10,350</u>
- To the Fighting Fund from:		
- ALP Election Fund	-	5,000
- From the Fighting Fund to:		
- ALP Election Fund	<u>5,000</u>	<u>-</u>

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

**27. STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY
- CASH BASIS – FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 \$	2007 \$
Cash Assets in respect of recovered money at beginning of year	(58)	(86)
RECEIPTS		
Amounts recovered from employers in respect of wages etc	1,731,954	746,341
Interest received on recovered money	183	117
TOTAL RECEIPTS	1,732,137	746,458
PAYMENTS		
Deductions of amounts due in respect of membership for:		
• 12 months or less	77,130	36,816
• Greater than 12 months	1,260	1,838
Deductions of donations or other contributions to accounts or funds of:		
• The reporting unit - Fighting Fund	46,955	17,759
• Other Entities:-		
◇ Barry Hemsworth Campaign	-	190
◇ Cuban Fund	200	-
◇ Picnic Fund	-	550
◇ ACIRT	105,797	9,985
◇ C Bus	270,565	57,313
◇ Refund to Employers	206	557
Deductions of Fees or reimbursements of expenses	143	88
Payments to workers in respect of recovered money	1,229,841	621,334
TOTAL PAYMENTS	1,732,097	746,430
Cash Assets in respect of recovered money at end of year *	(18)	(58)
Bank fees to be reimbursed	(18)	(58)
Balance of Wage Claim Account	(18)	(58)
Reconciled Balance of Wage Claim Bank Account *	(18)	(58)
(a) Number of workers to which receipts recovered from employers relate	628	314
(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 \$18 of bank charges. This amount was subsequently reimbursed in January 2009.



Australian Government
Australian Industrial Registry

12 January 2009

Mr Andrew Ferguson
Secretary, New South Wales Divisional Branch
Construction, Forestry, Mining and Energy Union
Locked Bag 1
LIDCOMBE NSW 1825



Dear Mr Ferguson

**Lodgement of Financial Statements and Accounts – New South Wales Divisional Branch -
Schedule 1 of *Workplace Relations Act 1996* (RAO Schedule) -
for year ended 31 December 2008 (FR2008/570)**

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

I direct your attention to our website <http://www.airc.gov.au/registered/FR/information.htm> where detailed information including Fact sheets, sample documents, the Registrar's Reporting Guidelines and the Schedule provisions and RAO Regulations may be found.

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

The presentation of the full report to an appropriate meeting in accordance with s266 should occur after copies of the report have been distributed, published, internet-posted or otherwise provided in accordance with s265(5) to the members of the Branch.

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

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

Yours sincerely,

Stephen Kellett
Statutory Services Branch