



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: FR2007/566-[105N-VIC]

Mr Martin Kingham
Branch Secretary
CFMEU - C & G Division, Victorian Building
Unions Divisional Branch
Box 89, Trades Hall
54 Victoria Street
CARLTON SOUTH VIC 3053

Dear Mr Kingham

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".

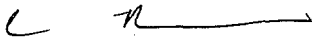
Extensions of Time

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, appearing to be 'L. R.' followed by a long horizontal stroke.

For Deputy Industrial Registrar...
21 January 2008

TIMELINE/ PLANNER

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

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

Documents Checklist

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

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

No	Document	✓
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:

¹RAO 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.

²Only applicable where a concise report is provided to members

³Insert whichever is applicable



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Ref: FR2007/566-[105N-VIC]

Mr Martin Kingham
Branch Secretary
CFMEU - Construction and General Division,
Victorian Building Unions Divisional Branch
Box 89, Trades Hall
54 Victoria Street □ CARLTON SOUTH VIC 3053

Dear Mr Kingham

**Re: Construction, Forestry, Mining and Energy Union-Construction and General Division,
Victorian Building Unions Divisional Branch
Outstanding Financial Documents - *Workplace Relations Act 1996***

The Accounts and Audit Part of Schedule 1 of the *Workplace Relations Act 1996* requires, as a general rule, that the audited financial statements of a reporting unit of a registered organisation, be lodged in the Industrial Registry within 6 months and 14 days from the end of its financial year.

To date, the Registry has no record of lodgement of the financial reports of the above named reporting unit for the year ended 31 December, 2007.

In particular there is no record of lodgement of copies of:

- the general purpose financial report (which includes the Committee of Management Statement);
- the auditor's report; and
- the operating report.

These three reports are referred to as the "full report".

Section 268 of the RAO Schedule¹ requires that a copy of the full report be lodged in the Registry within 14 days (or such longer period a Registrar allows) after the full report is presented to a general meeting of members (or to a committee of management meeting if the rules make provision consistent with s266(3)).

Section 266 (1) requires that the full report be presented to the meeting within 6 months of the end of the financial year. Therefore, lodgement of the documents in the Registry was required by **16 July, 2008.**

Section 305(2)(ze) of the RAO Schedule is a civil penalty provision. It provides that a failure to meet the requirements of s268 is a contravention of that civil penalty provision. The Federal Court may on application of the Industrial Registrar impose a pecuniary penalty on the person or organisation whose conduct contravened the civil penalty provision.

I also draw your attention to the provisions of Part 1 of Chapter 9 of the RAO Schedule which set out the general duties of officers and employees of organisations and their branches in relation to financial management.

In the absence of lodgement of a copy of the full report, I request you state in writing by **12 August, 2008:**

- whether a Committee of Management Statement and an Operating Report have been prepared;
- whether the auditor has audited the general purpose financial report and if so, the date on which the auditor signed the audit report;
- whether the full report has been provided to members, and if so, when;

¹ Schedule 1 of the Workplace Relations Act 1996

- whether the full report provided to the members has been presented to a general or committee of management meeting, and if so, when;
- when a copy of the full report will be lodged in the Industrial Registry.

The full report when lodged must be accompanied by a Designated Officer's Certificate certifying that the documents lodged are copies of the documents provided to members and presented to the general or committee of management meeting in accordance with s266.

You can access the Commission's website where a new site has been created dealing with:

- RAO Fact sheets - These Fact Sheets explain the requirements of the RAO Schedule - many of them deal with financial reporting matters.
- Financial Reporting Sample Documents – Sample Committee of Management's Statement, Designated Officer's Certificate and checklists for illustrative purposes.
- Registrar's Reporting Guidelines - The GPFR 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 Schedule and RAO Regulations

These documents can be accessed at: <http://www.airc.gov.au/registered/FR/information.htm>.

The Registry strongly encourages your organisation to lodge documents electronically by either:

- Sending an email with the documents attached to: orgs@air.gov.au
- Sending the documents by fax to: (03) 9655 0410

If you wish to discuss this letter, please contact me on (02) 8374 6507. In reply please quote: **FR2007/566**.

Yours sincerely



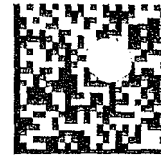
Steve Teece

E-mail: steve.teece@air.gov.au

24 July 2008

AUSTRALIAN INDUSTRIAL REGISTRY
LEVEL 8, 80 WILLIAM STREET
EAST SYDNEY NSW 2011

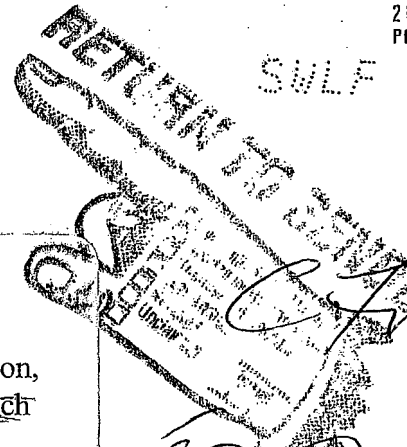
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Mr Martin Kingham
Branch Secretary
CFMEU - Construction and General Division,
~~Victorian Building Unions Divisional Branch~~
~~Box 89, Trades Hall~~
54 Victoria Street □ CARLTON SOUTH VIC 3053

CFMEU
500 SWANSON
ST
CARLTON STA
3053



Ref: FR2007/566-[105N-VIC]

Mr Martin Kingham
Branch Secretary
CFMEU - Construction and General Division,
Victorian Building Unions Divisional Branch
2/500 Swanston Street
CARLTON SOUTH VIC 3053

Dear Mr Kingham

**Re: Construction, Forestry, Mining and Energy Union-Construction and General Division,
Victorian Building Unions Divisional Branch
Outstanding Financial Documents - *Workplace Relations Act 1996***

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- whether a Committee of Management Statement and an Operating Report have been prepared;
- whether the auditor has audited the general purpose financial report and if so, the date on which the auditor signed the audit report;
- whether the full report has been provided to members, and if so, when;

¹ Schedule 1 of the Workplace Relations Act 1996

- whether the full report provided to the members has been presented to a general or committee of management meeting, and if so, when;
- when a copy of the full report will be lodged in the Industrial Registry.

The full report when lodged must be accompanied by a Designated Officer's Certificate certifying that the documents lodged are copies of the documents provided to members and presented to the general or committee of management meeting in accordance with s266.

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- Sending the documents by fax to: (03) 9655 0410

If you wish to discuss this letter, please contact me on (02) 8374 6507. In reply please quote: **FR2007/566**.

Yours sincerely



Steve Teece

E-mail: steve.teece@air.gov.au

4 August 2008

**THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN DIVISIONAL BRANCH**

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

Endorsed by DBMC 16.9.08
m. J. Cunningham s. T. Watson

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

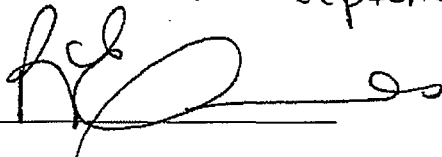
s268 Schedule 1, Workplace Relations Act 1996

I, (name).....RALPH EDWARDS.....,

being a prescribed designated officer, certify that the documents lodged in the Industrial Registry on 3 September 2008 consisting of the general purpose financial report of the Victorian Divisional Branch of the Construction and General Division of the Construction, Forestry, Mining and Energy Union for the year ended 31 December 2007

(a) are copies of the documents provided to members on the website on 12 June 2008

(b) and subsequently presented to the Divisional Branch Management Committee in accordance with section 266 of the RAO Schedule on ~~15 July 2008~~ 16 September 2008

(Signature) 

(Position) PRESIDENT

Date 07/10/08

29 July, 2008

Attention: Belinda PENNA
Australian Industrial Registry
Level 8, Terrace Towers
80 William Street
East Sydney, NSW 2011

CONSTRUCTION

FORESTRY

MINING

ENERGY

UNION

Dear Belinda PENNA,



RE: FR2006/59
ACCOUNTS FOR CONSTRUCTION, FORESTRY, MINING AND
ENERGY UNION-CONSTRUCTION AND GENERAL
DIVISION BRANCH (VICTORIAN DIVISIONAL BRANCH)

Please find attached our audited financial accounts for the year ended 31 December, 2007 re-presented to and passed by our Divisional Branch Management Committee on Tuesday the 15th of July, 2008.

The audited financial statements were published on our website www.cfmeuvic.com.au on the 12th June 2008.

Also attached is a list of donations over \$1,000 made by this branch during the financial year ended 31 December, 2007 (please note that no loans or grants were given. I also advise that the wage claim account of this union was not used during the financial year ended 31 December 2007 (as was the case for the previous financial year).

Should you need any further information please contact me on 03 9341 3456 or edithh@vic.cfmeu.asn.au.

Yours faithfully

A handwritten signature in cursive script that reads "Edith Harris".

VICTORIAN BRANCH
500 SWANSTON STREET
CARLTON STH, VIC 3053

Edith Harris
Finance Manager

PH: (03) 9341 3444

FAX: (03) 9341 3427



**THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN DIVISIONAL BRANCH**

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

**THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN DIVISIONAL BRANCH
OPERATING REPORT FOR THE YEAR ENDED 31ST DECEMBER 2007**

Operating Report

Introduction

In 2007 the CFMEU Construction and General Division (Victoria Branch) ("CFMEU") remains an organisation committed to providing a broad range of services to members and defending their rights.

Principal Activities

The principal activity of the CFMEU is that of a registered trade union in Australia reporting in accordance with the requirements of the Workplace Relations Act. The many benefits of membership include unity in EBA negotiations, organisers to help members, access to training, access to occupational health and safety representatives and legal advice.

Financial Position

The CFMEU is in a secure financial position because management have ensured that a "safety net" exists for members both individually and as a union so that our united strength can be defended. The surplus for the year ended 31 December 2007 was \$3,833,466 and the previous year (2006 : \$6,627,370)

As from the 1 January 2006 the union has merged with FEDFA and a significant proportion of the 2006 surplus relates to the assets of FEDFA being brought to account in the financial statements of the union.

Management have acted on their commitment to maintain and improve resources. The building at 500 Swanston Street has been renovated and continues to be improved so that the union can maintain the delivery of services to its members.

Number of Employees

The union had 85 employees.

Number of Members

The number of members for the year ended 31 December 2007 was 21,571 (2006 :24,997)

Rights of Members

A member can resign from membership by written notice and in accordance with Section 174 of Schedule 1B of the Workplace Relations Act 1996 and the rules of the CFMEU.

Superannuation Office Holders

Martin Kingham acts as alternative trustee to Albert Littler on the Board of C+BUS (Super for the Construction & Building Industries).

Office Holders

The names of the executives who held office during the financial year are:

M.Kingham	1 January 2007 to 31 December 2007
W.Oliver	1 January 2007 to 31 December 2007
F.O'Grady	1 January 2007 to 31 December 2007
R. Edwards	1 January 2007 to 31 December 2007
J. Setka	1 January 2007 to 31 December 2007

THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN DIVISIONAL BRANCH
OPERATING REPORT FOR THE YEAR ENDED 31ST DECEMBER 2007

Operating Report (continued)

A. Littler	1 January 2007 to 31 December 2007
A. McLaughlin	1 January 2007 to 31 December 2007
A. Susic	1 January 2007 to 31 December 2007
D. Berardi	1 January 2007 to 31 December 2007
D. Christopher	1 January 2007 to 31 December 2007
E. Spermovasilis	1 January 2007 to 31 December 2007
F. Akbari	1 January 2007 to 31 December 2007
G. Paterson	1 January 2007 to 31 December 2007
G. Stephenson	1 January 2007 to 31 December 2007
G. Thorson	1 January 2007 to 31 December 2007
J. Canning	1 January 2007 to 31 December 2007
R. Perham	1 January 2007 to 31 December 2007
R. Williams	1 January 2007 to 31 December 2007
S. Bergic	1 January 2007 to 31 December 2007
S. Reardon	1 January 2007 to 31 December 2007
S. Sposito	1 January 2007 to 31 December 2007
T. Zordan	1 January 2007 to 31 December 2007
T. Watson	1 January 2007 to 31 December 2007
N. Washington	1 January 2007 to 31 December 2007
M. Hill	1 January 2007 to 31 December 2007
K. Johns	1 January 2007 to 31 December 2007
J. Duggan	1 January 2007 to 31 December 2007
B. Neilson	1 January 2007 to 31 December 2007
R. Booth	1 January 2007 to 31 December 2007
S. Long	1 January 2007 to 30 January 2007
D. Kearney	31 January 2007 to 31 December 2007

SIGNED

For and on behalf of the Divisional Branch Management Committee

DATE 11/6/08



RALPH EDWARDS
President

THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN DIVISIONAL BRANCH
INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2007

		2007	2006
Revenue	2	18,143,933	21,343,366
Less expenses			
Office and administration		1,162,090	1,316,847
Capitation, affiliation, and amalgamation		1,398,064	1,610,753
Depreciation	3	837,693	732,558
Direct employee benefits - Office Holders		1,590,531	1,633,287
Direct Employee benefits - Other Employees		5,681,107	6,151,443
Employee related costs		1,296,682	1,538,461
Occupancy		591,820	605,252
Organisers, conference and consultancy expenses		1,286,231	888,326
Journal costs		223,592	236,503
Loss on disposal of non current assets		242,677	-
Borrowing costs	3	-	2,566
Net Surplus		<u>3,833,446</u>	<u>6,627,370</u>

THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
 CONSTRUCTION AND GENERAL DIVISION
 VICTORIAN DIVISIONAL BRANCH
 BALANCE SHEET AS AT 31ST DECEMBER 2007

	NOTE	2007	2006
		\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents	4	4,739,422	4,401,408
Trade and Other Receivables	5	1,230,291	611,316
Inventories		41,619	51,171
Other Financial Assets	6	3,643,555	0
		<u>9,654,887</u>	<u>5,063,895</u>
NON-CURRENT ASSETS			
Units in unlisted trusts	6	1,682	1,682
Investment Properties	7	4,240,000	3,540,000
Property, Plant and Equipment	8	12,846,798	11,911,833
Other Financial Assets	6	18,800,000	22,477,825
		<u>35,888,480</u>	<u>37,931,340</u>
TOTAL ASSETS		<u>45,543,367</u>	<u>42,995,235</u>
CURRENT LIABILITIES			
Trade and Other Payables	9	1,555,094	2,925,406
Bank Overdraft	17	0	256,869
Grant Liability Held	9	1,123,200	1,080,000
Provision for Employee Entitlements	10	3,069,289	2,754,318
		<u>5,747,583</u>	<u>7,016,593</u>
NET ASSETS		<u>39,795,785</u>	<u>35,978,642</u>
MEMBERS' FUNDS			
Accumulated Members Funds		37,531,772	33,698,326
Asset Revaluation Reserve		2,264,012	2,280,316
TOTAL MEMBERS' FUNDS		<u>39,795,785</u>	<u>35,978,642</u>

THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN DIVISIONAL BRANCH
STATEMENT OF CHANGES
IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2007

	Accumulated Members' Funds \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 January 2006	27,070,956	2,280,316	29,351,272
Profit for the year	6,627,370	-	6,627,370
Balance at 31 December 2006	33,698,326	2,280,316	35,978,642
Profit for the year	3,833,446	-	3,833,446
Revaluation of property plant and equipment	-	(16,304)	(16,304)
Balance at 31 December 2007	37,531,772	2,264,012	39,795,784

THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN DIVISIONAL BRANCH
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2007

	Note	2007 \$	2006 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members		10,964,606	12,423,800
Operating grant receipts		4,682,870	5,912,659
Donations received		-	42
Rent received		67,715	59,089
Receipts from sale of publications		85,849	84,366
Interest received		1,836,295	1,412,229
Payments to suppliers and employees		(12,887,546)	(12,372,783)
Payments - CFMEU - C&G National Office		(1,451,095)	(829,632)
Borrowing costs		-	(2,566)
Net cash provided by operating activities	17(b)	<u><u>3,298,694</u></u>	<u><u>6,687,204</u></u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(2,904,459)	(5,590,263)
Proceeds from sale of property, plant and equipment		172,822	1,406,558
Proceeds from matured investments		1,477,825	-
Payment for investments		(1,450,000)	(1,127,825)
Cash acquired on merger with FEDFA		-	2,306,219
Net cash used in investing activities		<u><u>(2,703,812)</u></u>	<u><u>(3,005,311)</u></u>
Net increase in cash held		594,882	3,681,893
Cash at beginning of financial year		4,144,540	462,647
Cash at end of financial year	17(a)	<u><u>4,739,422</u></u>	<u><u>4,144,540</u></u>

The Cash Flow Statement are to be read in conjunction with the accompanying notes.

**THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN DIVISIONAL BRANCH
OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2007**

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The financial report is for CFMEU Construction and General Division Victorian Divisional Branch as an individual entity for the year ended 31 December 2007. The CFMEU Construction and General Division Victorian Branch ("The Union") is an organisation committed to providing a broad range of services to members and defending their rights. The registered office and principal place of operation is 500 Swanston Street, Melbourne, Victoria.

Statement of Compliance

The financial report is a general purpose financial report that has been prepared for distribution to the members to fulfill the Executive's financial reporting requirements under the Workplace Relations Act 1996. The Executive have prepared the financial report in accordance with Accounting Standards and the Australian Accounting Interpretations, and other pronouncements of the Australian Accounting Standards Board requirements of the Workplace Relations Act 1996.

Compliance with IFRS

Australian Accounting Standards (AAS) include Australian equivalents to International Financial Reporting Standards. Compliance with AAS ensures that the financial statements and notes of the Union comply with International Financial Reporting Standards (IFRS).

For the purposes of this financial report, the Union is considered to be a not-for-profit entity and as such has prepared this financial report with reference to the requirements regarding Not-For-Profits in the Australian Accounting Standards.

The financial statements were authorised for issue by the Committee of Management on the date the Committee of Management Certificate was signed.

Statement of Significant Accounting Policies

Basis of Preparation

The financial report has been prepared on the accrual basis of accounting with the exception of membership income which is brought to account on a cash basis. The historical cost basis has been used except for certain assets which are carried at fair value. Cost is based on the fair values of the consideration given in exchange for assets. These financial statements are presented in Australian dollars, which is the division's functional currency. The financial report is prepared on a going concern basis.

A. Income Tax

No provision for income tax has been raised as the union is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

B. Goods and Services Tax

Revenues, expenses and assets are recognised net of goods and services tax (GST) except:

- (a) where the GST is not recoverable from the tax office; and
- (b) for receivable and payables which are recognised inclusive of GST;

The net amount of GST receivable or payable to the tax office is included as part of receivables or payables.

C. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

D. Property, Plant and Equipment

(i) Impairment of Assets

At each reporting date the carrying amounts of assets are reviewed to determine whether there is any indication that those assets have suffered impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. The Committee of management are satisfied that the carrying amounts of assets do not exceed the net amounts that are expected to be recovered through the cash inflows and outflows arising from the continued use and subsequent disposal of the assets.

**THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN DIVISIONAL BRANCH
OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2007**

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Property, Plant and Equipment (Cont'd)

(ii) Non Current Assets Held for Resale

Non-current assets are classified as held for resale where the sale of the asset is expected to be completed within one year from the date of the classification. Such assets are measured at the lower of carrying amount and fair value less costs to sell.

(iii) Property

Land and buildings are measured at fair value. Fair value is determined on the basis of an independent valuation prepared by external valuation experts. The fair values are recognised in the financial statements and are reviewed at the end of each reporting period to ensure that the carrying value of land and buildings is not materially different from their fair values.

Any revaluation increase is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease on revaluation is charged as an expense in the profit and loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to profit and loss. On subsequent disposal of a revalued property the relevant revaluation surplus remaining in the asset revaluation reserve is transferred directly to retained earnings.

(iv) Plant and Equipment

Plant and equipment is carried at cost less, where applicable, any accumulated depreciation. The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the union commencing from the time the asset was held ready for use. The carrying amount of fixed assets is reviewed annually in accordance with impairment test outlined above to ensure they are not in excess of their recoverable values.

Most depreciation is provided on a diminishing value method. 20% of assets are depreciated on a straight line basis

Depreciation rates used are as follows:

Buildings	2.5%
Leasehold Improvements	15%
Plant and Equipment	7.5 - 22.5%
Motor Vehicles	22.5%
Furniture, Fixtures and Fittings	15 - 25%
Computer Equipment	20-40%

E. Other Financial Assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs. Other financial assets are classified into the following specified categories: 'Held to Maturity Investments' and 'Trade and Other Receivables'.

(i) Held-to-Maturity Investments

Bills of exchange are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

**THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN DIVISIONAL BRANCH
OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2007**

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ii) Trade and Other Receivables

Trade Debtors and other receivables are recorded as at cost less allowance for doubtful debt.

F. Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured at its fair value at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise. Properties are valued by an independent valuer on a regular basis.

G. Employee Benefits

Provision is made for the union's liability for employee benefits arising from services rendered by employees to balance date. Employee entitlements consist of annual leave, long service leave and redundancy pay which are accrued in line with employee agreements. Entitlements are unconditional and as such are recorded as current liabilities. Contributions are made by the union to an employee superannuation fund and are charged as expenses when incurred.

H. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and in banks and investments in money market instruments with terms of less than 90 days, net of outstanding bank overdrafts.

I. Revenue

(i) Membership Revenue

Revenue from membership is recognised on a cash basis.

(ii) Other Revenue

Other revenue is recognised when the right to receive the revenue has been established. Grants are recognised initially as deferred income and taken into income when there is reasonable assurance that they will be received and that the union will comply with the conditions of the grant.

J. Information to be Provided to Members or Registrar

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 274, which read as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under Sub-Section (1) by a member of the organisation, or a Registrar, make the specified information available for the member or Registrar in such manner and within such time, as is prescribed.
- (3) A Registrar may only make an application under Sub-section (1) at the request of members of the organisation concerned, and the Registrar shall provide to members information received because of an application made at the request of the members.

K. Trade and Other Payables

Trade payables and other accounts payables are recognised when the union becomes obliged to make future payments resulting from the purchase of goods and services.

THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
 CONSTRUCTION AND GENERAL DIVISION
 VICTORIAN DIVISIONAL BRANCH
 INCOME STATEMENT
 FOR THE YEAR ENDED 31ST DECEMBER 2007

	2007	2006
	\$	\$
2 REVENUE		
Operating activities		
membership subscriptions	10,754,322	10,092,315
levy	-	796,240
donations	-	42
interest received	1,945,673	1,412,229
Grant income	4,639,670	4,832,659
rental income from investment properties	67,715	59,089
training fees received	408,376	430,832
EBA processing fee	80,640	242,109
Realisation of FEDFA integration	-	3,021,064
other revenue	247,537	298,323
Profit on disposal of Non current assets	-	158,464
	18,143,933	21,343,366
3 ITEMS INCLUDED IN PROFIT		
Profit has been determined after:		
Charging as expenses:		
Borrowing costs	-	2,566
Depreciation of property, plant and equipment	837,693	732,558
Affiliation fees	310,284	291,514
Direct operating expense related to investment properties	-	43,261
Capitation fees - CFMEU - C&G National Office	952,912	1,117,667
Donations	76,499	87,855
Legal Fees	236,808	71,091
Consultancy fees	358,427	311,885
Bad and doubtful debts	-	-
Loss on disposal of assets	242,677	-
Decrease in Value of Investments	(6,446)	-
Remuneration of the auditors:		
Graeme Pratt and Associates-accounting and audit FEDFA	-	11,313
PKF-audit of financial report	34,900	40,727
PKF-grant audit and internal audit review	24,800	7,450
	59,700	59,490
Total Employee Benefits excluding superannuation	5,883,334	6,431,230
Total superannuation	1,253,667	1,353,500
	7,137,001	7,784,730

THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN DIVISIONAL BRANCH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007

	2007	2006
	\$	\$
4 CASH AND CASH EQUIVALENTS		
Cash on hand	4,300	3,100
Cash at Bank	815,315	229,567
Short term deposits	3,919,807	4,168,741
	<u>4,739,422</u>	<u>4,401,408</u>

Cash at bank earns interest at the floating rates based on daily bank deposit rates.

The carrying amounts of cash and cash equivalents represent fair value.

Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective short term deposit rates.

5 TRADE AND OTHER RECEIVABLES

CURRENT

Other Debtors	718,774	278,357
	<u>718,774</u>	<u>278,357</u>

Accrued Income	302,800	193,308
Prepayment	208,717	139,651
	<u>1,230,291</u>	<u>611,316</u>

6 OTHER FINANCIAL ASSETS

CURRENT

Other current investments-at cost

Floating Rate Notes and Other Bank Issued Investments	3,643,555	-
	<u>3,643,555</u>	<u>-</u>

NON-CURRENT

Unlisted trusts- at cost	1,682	1,682
	<u>1,682</u>	<u>1,682</u>
Other investments -at cost		
Floating Rate Notes and Other Bank Issued Investments	18,800,000	22,477,825
	<u>18,800,000</u>	<u>22,477,825</u>

7 INVESTMENT PROPERTIES

Balance at beginning of financial year at fair value	3,540,000	3,540,000
Movement due to revaluation	700,000	-
Balance at end of financial year at fair value	<u>4,240,000</u>	<u>3,540,000</u>

*Note: Valuations

The valuations of investment properties were based on the assessment of their current market subject to vacant possession.

The independent revaluations dated 16th of December 2007 were carried out Charter Keck Cramer.

The valuation was made in accordance with a regular policy of obtaining

independent valuation of land and buildings every three years to ensure that requirements of accounting standards regarding fair value basis of valuation are met.

THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
 CONSTRUCTION AND GENERAL DIVISION
 VICTORIAN DIVISIONAL BRANCH
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST DECEMBER 2007

	2007	2006
	\$	\$
8		
PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold land at fair value	6,419,800	4,305,299
	<u>6,419,800</u>	<u>4,305,299</u>
Buildings at fair value	2,483,599	4,319,362
Less: Accumulated depreciation	0	(107,394)
	<u>2,483,599</u>	<u>4,211,968</u>
Improvements at cost	958,603	953,703
Less: Accumulated depreciation	(7,976)	(26,796)
	<u>950,627</u>	<u>926,907</u>
TOTAL LAND AND BUILDINGS	<u><u>9,854,026</u></u>	<u><u>9,444,174</u></u>

Valuations

The revaluations of freehold land and buildings were based on the assessment of their current market subject to vacant possession.

The independent revaluations dated 15th of November 2007

were carried out by Certified Practising Valuers for Charter Keck Cramer.

The valuation was made in accordance with a regular policy of obtaining independent valuation of land and buildings every three years to ensure that requirements of accounting standards regarding fair value basis of valuation are met.

(a) Plant and Equipment	496,401	765,971
Less: Accumulated depreciation	(192,927)	(462,722)
	<u>303,474</u>	<u>303,249</u>
 (b) Training Equipment	 314,172	 160,248
Less: Accumulated depreciation	(64,046)	(25,183)
	<u>250,126</u>	<u>135,065</u>
 (c) Computer Equipment	 1,070,523	 1,378,738
Less: Accumulated depreciation	(782,885)	(971,090)
	<u>287,638</u>	<u>407,648</u>
 (d) Furniture and Fittings	 760,955	 402,106
Less: Accumulated depreciation	(131,032)	(296,586)
	<u>629,923</u>	<u>105,520</u>
<hr style="border-top: 1px dashed black;"/>		
(e) Motor Vehicles at Cost	2,280,217	2,267,822
Less: Accumulated depreciation	(758,606)	(751,645)
	<u>1,521,611</u>	<u>1,516,177</u>
TOTAL PLANT AND EQUIPMENT	<u><u>2,992,772</u></u>	<u><u>2,467,659</u></u>
TOTAL Property, Plant and Equipment	<u><u>12,846,798</u></u>	<u><u>11,911,833</u></u>

THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
 CONSTRUCTION AND GENERAL DIVISION
 VICTORIAN DIVISIONAL BRANCH
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST DECEMBER 2007

8 PROPERTY, PLANT AND EQUIPMENT (continued)

Movements in Carrying amounts

Movements in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

2007	Land & Buildings	Improvements	Plant & Equipment	Training Equipment
Balance at beginning	8,517,267	926,907	303,249	135,065
Additions		1,286,509	122,314	153,925
Disposals	0	0	(76,068)	0
Revaluations	460,874	(1,177,179)		0
Depreciation Expense	(74,743)	(85,610)	(46,021)	(38,864)
Carrying amount at end of year	<u>8,903,398</u>	<u>950,627</u>	<u>303,474</u>	<u>250,126</u>

	Motor vehicles	Furniture & Fittings	Computer Equipment	Total
Balance at beginning	1,516,177	105,519	407,649	11,911,833
Additions	600,698	684,337	56,311	2,904,094
Disposals	(249,127)	(78,117)	(11,819)	(415,131)
Revaluation				(716,305)
Depreciation Expense	(346,137)	(81,816)	(164,502)	(837,693)
Carrying amount at end of year	<u>1,521,611</u>	<u>629,923</u>	<u>287,639</u>	<u>12,846,798</u>

**THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007**

	2007	2006
	\$	\$
9 PAYABLES		
Trade creditors	387,662	821,808
CFMEU - C&G National Office	64,170	562,353
Sundry Creditors and Accruals	503,606	1,016,613
GST Payables	599,656	524,632
Trade and other payables	<u>1,555,094</u>	<u>2,925,406</u>
 Grant Liability Held	 <u>1,123,200</u>	 <u>1,080,000</u>
 10 PROVISION FOR EMPLOYEE ENTITLEMENTS		
Provision for annual leave - Office Holders	241,083	221,356
Provision for annual leave - Other Employees	523,913	412,953
Provision for long service leave - Office Holders	542,129	450,566
Provision for long service leave - Other Employees	635,903	625,790
Provison for redundancy - Office Holders	521,837	505,683
Provison for redundancy - Other Employees	604,424	537,970
	<u>3,069,289</u>	<u>2,754,318</u>

11 RELATED PARTY TRANSACTIONS

Capitation fees are paid to CFMEU - Construction and General Division National Office as disclosed in Note 9 as a percentage of membership income and the minimum membership rate set by the National Office.

12 EVENTS SUBSEQUENT TO BALANCE DATE

As noted in prior year accounts the legal action taken by a company against the Union has been discontinued by the plaintiff. We note that discontinuance in 2003 does not prevent the plaintiff from instituting new proceedings about the claim. The claim will only be extinguished by the plaintiff signing a release, or by the expiration of the limitation period.

**THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007**

	2007	2006
	\$	\$
13 REMUNERATION AND RETIREMENT BENEFITS		
Income paid or payable to all executives of the union by the union.	1,731,050	1,542,171

Executives remuneration

Number of executives whose income was in the following bands:

\$0-9,999	16	15
\$70,000-79,999	-	2
\$80,000-89,999	-	2
\$90,000-99,999	2	7
\$100,000-109,999	4	2
\$110,000-119,999	4	2
\$120,000-129,999	2	1
\$130,000-139,999	2	-
\$140,000-149,999	1	-
Total number of executives including those joining and terminating during the year.	31	31

The names of the Division Branch Management Committee who held office during the financial year are:

M.Kingham	J. Canning	G. Thorson	M.Hill
W.Oliver	D. Berardi	R. Williams	K.Johns
F.O'Grady	A. Littler	F. Akbari	J.Duggan
R.Edwards	D.Christopher	S. Reardon	B.Neilson
J. Setka	G. Paterson	E. Spervovasilis	R.Booth
G. Stephenson	R. Perham	S. Bergic	R.Hallett
A. McLoughlin	S. Sposito	T.Watson	S.Long
	T. Zordan	N.Washington	A. Susic

14 Union Details

The principal place of business of the union is:
CFMEU Construction and General Division (Victoria Branch)
500 Swanston Street
Carlton South VIC 3053

The union had 86 employees (2005: 74)

15 Segment Information

The Union operates predominantly in one business segment, being the provision of union services, in one geographic segment, being Victoria.

THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007

NOTE 16 FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The union's principal financial instruments comprise of receivables, payables, cash and various forms of investments, including bank notes and equity funds. The union manages its exposure to key financial risks in accordance with the union's financial risk management policy. The objective of the policy is to support the delivery of the union's financial targets whilst protecting future financial security.

The main risks arising from the union's financial instruments are interest rate risk and credit risk. The union uses different methods to measure and manage different types of risks to which it is exposed. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Union Committee reviews and agrees policies for managing each of these risks as summarised below. Primary responsibility for identification and control of financial risks rests with the Finance Committee under the authority of the Executive Committee. The Executive Committee reviews and agrees policies for managing each of the risks identified below, including policies for trading in investments, credit allowances, and future cash flow forecast projections.

Risk Exposures and Responses

Interest rate risk

The union's exposure to market interest rates, related primarily to the cash and investments held.

At balance date, the Group had the following mix of financial assets and liabilities exposed to variable interest rate risk that are not designated in cash flow hedges.

	2007 \$	2006 \$
Financial assets		
Cash and cash equivalents	4,739,422	4,401,408
Investments	22,445,237	22,479,507
Financial Liabilities		
Bank overdraft	-	256,869
Net exposure	<u>27,184,659</u>	<u>26,624,046</u>

The union's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments 2007	Floating Interest rate 2007 \$	Fixed interest rate maturing in:			Non-interest bearing 2007 \$	Total 2007 \$	Weighted average effective interest rate 2007 %
		1 year or less	Over 1 to 5 year	Over 5 years			
		2007 \$	2007 \$	2007 \$			
(i) Financial assets							
Cash	4,739,422	-	-	-	4,739,422	0.046%	
Trade and other receivables	-	-	-	1,230,291	1,230,291		
Investments	-	2,200,000	16,800,000	2,000,000	1,445,237	22,445,237	3.950%
(ii) Financial liabilities							
Trade and other payables	-	-	-	-	1,555,094	1,555,094	

Financial Instruments 2006	Floating Interest rate 2006 \$	Fixed interest rate maturing in:			Non-interest bearing 2006 \$	Total 2006 \$	Weighted average effective interest rate 2006 %
		1 year or less	Over 1 to 5 year	Over 5 years			
		2006 \$	2006 \$	2006 \$			
(i) Financial assets							
Cash	4,401,409	-	-	-	4,401,409	0.570%	
Trade and other receivables	-	-	-	611,316	611,316		
Investments	-	-	22,477,825	1,682	22,479,507	4.550%	
(ii) Financial liabilities							
Trade and other payables	-	-	-	-	2,925,406	2,925,406	
Bank overdraft	256,869	-	-	-	-	256,869	

Sensitivity Analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date.

At 31 December 2007, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Net Profit Higher / (Lower)		Net Assets Higher / (Lower)	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
	+ 1% (100 basis points)	30,495	15,047	30,495
- 0.5 % (50 basis points)	(15,247)	(7,521)	(15,247)	(7,521)

Credit Risk

Credit risk arises from the financial assets of the union, which comprise cash and cash equivalents, trade and other receivables, investments and available-for-sale financial assets. The union's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is disclosed in each applicable note.

Foreign Currency risk

The union's exposure to foreign currency risk is minimal.

Both the functional and presentation currency of CFMEU is in Australian dollars (A\$).

**THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007**

	2007	2006
NOTE 17: CASH FLOW INFORMATION	\$	\$
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand	4,300	3,100
Cash at bank	815,315	229,567
Bank overdrafts	0	(256,868)
Short term deposits	3,919,807	4,168,741
	<u>4,739,422</u>	<u>4,144,540</u>
(b) Reconciliation of cash flow from operations with profit		
Net profit	3,839,891	6,627,370
Non-cash flows in profit		
Depreciation	837,693	732,558
Net loss(profit) on disposal of property, plant and equipment	242,677	(158,464)
Realisation of FEDFA Integration	0	(3,021,064)
Changes in assets and liabilities		
Decrease/(Increase) in receivables	(618,975)	648,347
Increase/(Decrease) in payables	(1,370,311)	778,702
Decrease/(Increase) in inventories	9,552	(7,867)
Increase/(decrease) in grant liability	43,200	1,080,000
Increase in provisions	314,967	7,622
Cash flows from operations	<u>3,298,694</u>	<u>6,687,204</u>

**THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007**

NOTE 18: BUSINESS COMBINATION

A merger took place during the financial year with the FEDFA Victorian Branch (FEDFA). At the date of the merger FEDFA was a registered trade union. As of the 1st of January 2006 the members of the former FEDFA became members of the CFMEU Construction and General Division (Vic Branch). All employees of the FEDFA were offered employment at the time of the merger but some took voluntary redundancies.

The fair value of the identifiable assets and liabilities of FEDFA at the date of the merger were:

	Recognised on acquisition \$	Carrying Value \$
Property, Plant and equipment	1,606,875	1,606,875
Cash and cash equivalents	2,306,219	2,306,219
Other	12,329	12,329
	<u>3,925,423</u>	<u>3,925,423</u>
Other payables	137,161	137,161
Employee entitlements	767,198	767,198
	<u>904,359</u>	<u>904,359</u>
Fair value of identifiable net assets	<u>3,021,064</u>	<u>3,021,064</u>
Cost and cash outflow on combination	-	-
Surplus of assets over liabilities recognized in income	<u>3,021,064</u>	<u>3,021,064</u>

NOTE 19: COMMITMENTS

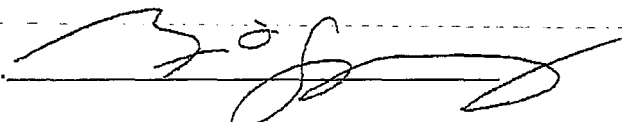

The building works awarded to Schiavello (Vic) Pty Ltd in 2006 were completed in 2007. A further commitment of \$257,194 for further building works has been agreed with Schiavello. It is anticipated that this work will be completed in 2008.

Construction, Forestry, Mining and Energy Union
Construction and General Division
Victorian Divisional Branch

The Divisional Branch Management Committee resolves that in relation to the general purpose financial report of the CFMEU Construction & General Division Victorian Building unions Divisional Branch for the year ended 31st December 2007

- (a) *The financial report and notes for the financial year ended 31st December 2007 comply with Australian Accounting Standards;*
- (b) *The financial report and notes for the financial year ended 31st December 2007 comply with the reporting guidelines of the Industrial Registrar;*
- (c) *The financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the year ended 31st December 2007;*
- (d) *There are reasonable ground 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 ended 31st December 2007 and since the end of the financial year:-*
 - (i) *Meetings of the Committee of management were held in accordance with the rules of the Union; and*
 - (ii) *The financial affairs of the Union have been managed in accordance with the rules of the Union; and*
 - (iii) *The financial records of the Union have been kept and maintained in accordance with RAO Schedules and RAO Regulations; and*
 - (iv) *The financial records of the Union have been kept, as far as practicable, in a consistent manner to each other reporting unit of the organization; and*
 - (v) *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*
 - (vi) *No orders have been made by the Commission, in regard to inspection of financial records under section 273 of the RAO Schedule during the year.*

For the Committee of Management:

1. 
2. 

Date: 11/6/08



Chartered Accountants
& Business Advisers

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CFMEU CONSTRUCTION AND GENERAL DIVISION
- VICTORIA BRANCH**

We have audited the accompanying financial report of CFMEU Construction and General Division - Victoria Branch, 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 then ended, a summary of significant accounting policies and other explanatory notes and the Committee of Management Statement.

The Responsibility of Office Holders for the Financial Report

The Office Holders are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal controls 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.

Auditor's 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 Office Holders, 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 the Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the CFMEU Construction and General Division - Victoria Branch as of 31 December 2007 and of its performance and its cash flows for the year ended on that date; and is in accordance with:

- a) Accounting Standards in Australia and the requirements of the Workplace Relations Act, 1996, Part 3 - Accounts and Audit; and
- b) other mandatory financial reporting requirements in Australia.


PKF
Chartered Accountants

11 June 2008
Melbourne


J A Mooney
Partner
Registered Company Auditor # 311052

Tel: 61 3 9603 1700 | Fax: 61 3 9602 3870 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 14, 140 William Street | Melbourne | Victoria 3000 | Australia
GPO Box 5099 | Melbourne | Victoria 3001

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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

Ms Edith Harris
Finance Manager, Victorian Branch, Construction and General Division
Construction, Forestry, Mining and Energy Union
500 Swanston Street
CARLTON SOUTH VIC 3053



Dear Ms Harris

Re: Lodgement of Financial Statements and Accounts – Construction, Forestry, Mining and Energy Union, Construction and General Division, Victorian Divisional Branch – for year ending 31 December 2007 (FR2007/566)

Thank you for lodging the abovementioned financial statements and accounts which were received in the Registry on 3 September 2008. The documents appear to meet the legislative requirements in all but one respect. Before filing the documents I must draw your attention to the following technical issue.

Certificate under s268 by Prescribed Designated Officer

The documents lodged did not include a certificate signed by a Prescribed Designated Officer in accordance with s268 of the RAO Schedule. Although your covering letter included the relevant information, the regulations appear to require that such information be certified by either the secretary or another office-holder – in the restricted sense of the legislation - and the latter only if authorised (e.g. by resolution or under the rules).¹

Management executives of an organisation can sign documents on behalf of another person under RAO regulation 12(2) but only if they have written authority of that person.²

As the documents will be posted on the AIRC website for the public record, I would ask that steps be arranged to have the Secretary complete and sign a certificate under s268, according to the template attached, and lodge it at your earliest convenience, so that it might be added to the documents already lodged.

Yours sincerely,

Stephen Kellett
Statutory Services Branch

26 September 2008

¹ RAO Regulation 162 "For paragraph 268(c) of the RAO Schedule, a prescribed designated officer is: (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 RAO Regulation 12(2) "A person is authorised to make, sign or lodge a document under the RAO Schedule or these Regulations on behalf of another person if the person has the written authority of the other person."

KELLETT, Stephen

From: TEECE, Steve
Sent: Tuesday, 7 October 2008 3:12 PM
To: KELLETT, Stephen
Subject: FW: Scan Data From Xerox DC900 MR
Attachments: img-X071220-0001.pdf

From: sydney@air.gov.au
Sent: Tuesday, 7 October 2008 2:20 PM
To: TEECE, Steve
Subject: FW: Scan Data From Xerox DC900 MR

MELISSA REES
Registry Officer

Australian Industrial Relations Commission
Level 8, Terrace Towers
80 William Street
East Sydney NSW 2011

Telephone: (02) 8374 6505
International: (612) 8374 6505
Facsimile: (02) 9380 6990
Email: melissa.rees@airc.gov.au

From: Edith Harris [mailto:edithh@vic.cfmeu.asn.au]
Sent: Tuesday, 7 October 2008 1:35 PM
To: sydney@air.gov.au
Subject: FW: Scan Data From Xerox DC900 MR

Dear Stephen Kellett,

reFR2007/566

Please find attached the **Certificate by Prescribed Designated Officer** regarding our accounts as requested by your recent letter to me (refer attached).

As you will see in the attached I noted the wrong date for subsequent representation of the accounts to the Divisional Committee.

The certificate now shows the correct date and also I have attached a copy of our accounts as represented and endorsed at that meeting. Please do not hesitate to call or email me if you need further information

Yours Sincerely

7/10/2008

Edith Harris
Finance Manager
CFMEU Construction and General Division (Vic Branch)
Ph:9341 3456
Fax:9341 3427
email:edith@vic.cfmeu.asn.au

From: xerox_copier@vic.cfmeu.asn.au [mailto:xerox_copier@vic.cfmeu.asn.au]

Sent: Tuesday, 7 October 2008 1:20 PM

To: Edith Harris

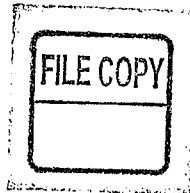
Subject: Scan Data From Xerox DC900



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Ms Edith Harris
Finance Manager, Victorian Branch, Construction and General Division
Construction, Forestry, Mining and Energy Union
500 Swanston Street
CARLTON SOUTH VIC 3053



Dear Ms Harris

**Re: Lodgement of Financial Statements and Accounts – Construction, Forestry, Mining
and Energy Union, Construction and General Division, Victorian Divisional Branch –
for year ending 31 December 2007 (FR2007/566)**

Thank you for lodging the Certificate by Prescribed Designated Officer with the amended date and attached copies of the financial statements, which were received in the Registry today.

The documents have been filed.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Stephen Kellett'.

Stephen Kellett
Statutory Services Branch

7 October 2008