



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
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Ref: FR2006/598-[105N-WA1]

Mr Kevin Reynolds
Branch Secretary
CFMEU Construction & General Division
WA Divisional Branch
PO Box 6681
EAST PERTH WA 6892

Dear Mr Reynolds

Financial Return - year ending 31 December, 2006

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

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

Information on AIRC Website

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

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

Reporting Unit

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

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

Industrial Registrar's Guidelines

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

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

Timeline Planner and Checklist

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

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

Three Reports

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

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar's Reporting Guidelines. The GPFR consists of:
 - (a) Financial Statements containing:
 - a profit and loss statement, or other operating statement; and
 - a balance sheet; and
 - a statement of cash flows; and
 - any other statements required by the Australian Accounting Standards; and
 - (b) Notes to the Financial Statements containing:
 - notes required by the Australian Accounting Standards; and
 - information required by the Industrial Registrar's *Reporting Guidelines* under section 255 including disclosures related to any recovery of wages activity ; and
 - (c) Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C) including declarations related to the recovery of wages activity.
2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

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

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

First Meeting (Committee of Management)

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

The Auditor

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

Informing Your Members

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

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

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

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

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

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

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

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

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

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

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

Lodge full report within 14 days of meeting

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

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

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

Complying with time limits

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

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

Extensions of Time

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

Contact the Registry

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

Yours sincerely



For Deputy Industrial Registrar
18 January 2007

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 (b) where rules of organisation allow, a Committee of Management meeting - s266 (3)	/ /	within 6 months of end of financial year 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:

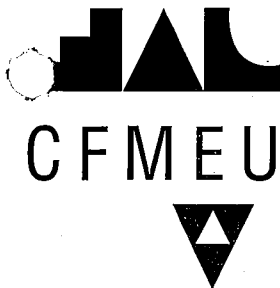
¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

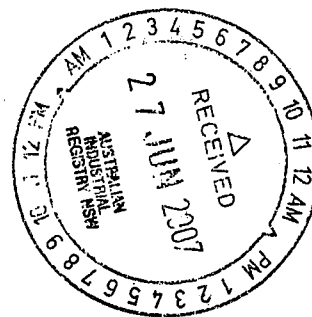
(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

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

³*Insert whichever is applicable*



TR/nd.returns



CONSTRUCTION

FORESTRY

MINING

ENERGY

UNION

26th June, 2007

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

Dear Sir/Madam,

Re: Financial Returns

Please find enclosed herewith the financial returns of the Construction Forestry Mining and Energy Union, Construction & General Division, Western Australia Divisional Branch, for the year ending 31st December, 2006.

Please confirm receipt at your earliest convenience.

Yours faithfully,

TOM ROBERTS
National Legal Officer

Encl.



CONSTRUCTION &
GENERAL DIVISION
ABN 46 243 168 565

DAVE NOONAN
National Secretary

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276 PITT STREET
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**Construction Forestry Mining and Energy Union
Construction and General Division – WA Branch**

**Financial Report for the
Year ended 31 December 2006**

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

FOR THE YEAR ENDED 31 DECEMBER 2006

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

OPERATING REPORT

The Committee of Management present their operating report in respect of the year ended 31 December 2006 as follows:

Members of the Management Committee

The members of the Management Committee at any time during the year and the period for which he/she held the position were:

Kevin McParland, David Simpson, Campbell McCullough, Kevin Reynolds, Joseph McDonald, Leslie Wellington, Peter Ballard, Antony Kelly, James Reid, Joseph Arias, Glenn Hawkins, Patrick McCann, Peter McGrahan, Bernard Musial

Each of the above members held the position for the full year.

Review of Activities

The principal activity of the Branch during the course of the financial year was to act as the Western Australian representative of the federally registered Construction, Forestry, Mining, and Energy Union – Construction and General Division. The primary role of the Branch is to act on behalf of and to further the interests of its members.

There were no significant changes in the nature of the Branch's activities during the year.

The results of the activities for the year are summarised as follows:

- Total income was \$5,531,525 which represents a 6% increase from the prior year.
- Within total income, subscriptions increased 7% to \$4,246,936.
- The surplus for the year was \$29,573 compared with \$718,977 in 2005. The decline in the surplus compared to the 2005 year is largely attributed to higher legal and settlement costs, the recognition of a redundancy provision and higher wages and associated costs.
- Full details of income and expenditure are set out on page 4.

Significant Changes in Financial Affairs

Significant changes in the state of affairs of the Branch during the year were:

- Total assets increased to \$3,689,817 as at 31 December 2006 (2005: \$3,365,437) with the increase arising mainly from increased Cash at Bank and investment in Managed Investments.
- Total liabilities increased to \$1,512,909 as at 31 December 2006 (2005: \$1,218,122) with the increase arising mainly from recognition of a redundancy provision and an increase in sundry creditors.
- Net Assets increased to \$2,176,708 as at 31 December 2006 (2005: \$2,147,315).

There were no other significant changes in the Branch's affairs during the financial period.

The Right of Members to Resign

A member may resign from the membership of the Union by a written notice addressed and delivered to the Divisional Branch Secretary or other officer of the Divisional Branch authorised to receive such correspondence.

Membership Information

The number of members of the Branch as at 31 December 2006 recorded in the register of members and taken to be members of the Branch were 7,702

Employee Information

The number of full time equivalent employees of the Branch as at 31 December 2006 was 27.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

Trustee of a Superannuation Entity

No officer or member is a trustee of a superannuation entity or an exempt public sector superannuation scheme or a director of a company that is a trustee of such an entity or scheme, where the criterion for the officer or member holding such a position is being an officer or member of a registered organisation.

Signed on behalf of the Committee of Management

Dated this 11th day of *June* 2007.


Kevin Noel Reynolds
Secretary

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

**BALANCE SHEET
AS AT 31 DECEMBER 2006**

	Note	<u>31/12/06</u> \$	<u>31/12/05</u> \$
MEMBERS FUNDS			
Balance at Beginning of Year		2,147,315	1,428,338
Surplus/(Deficiency)		<u>29,593</u>	<u>718,977</u>
		<u>2,176,908</u>	<u>2,147,315</u>
REPRESENTED BY:			
CURRENT ASSETS			
Cash on Hand		600	100
Sundry Debtors		53,821	6,107
Cash at Bank		1,909,685	1,689,468
Managed Investments – at market value		938,310	860,316
Loans Receivable – CFMEUW	2	348,559	348,559
Loans Receivable – Construction Skills Training Centre	2	<u>8,786</u>	<u>8,786</u>
TOTAL CURRENT ASSETS		<u>3,259,761</u>	<u>2,913,336</u>
NON-CURRENT ASSETS			
Furniture & Fittings - at Cost		168,228	157,778
Less: Accumulated Depreciation		<u>(109,631)</u>	<u>(82,771)</u>
		58,597	75,007
Motor Vehicles – at cost		319,243	341,156
Less: Accumulated Depreciation		<u>(107,086)</u>	<u>(123,364)</u>
		212,157	217,792
Kalgoorlie Property		<u>159,302</u>	<u>159,302</u>
TOTAL NON CURRENT ASSETS		<u>430,056</u>	<u>452,101</u>
TOTAL ASSETS		<u>3,689,817</u>	<u>3,365,437</u>
CURRENT LIABILITIES			
Sundry Creditors		428,715	267,904
GST clearing Account		66,008	73,600
Provision for Holiday Pay	3	371,501	380,481
Provision for Redundancy	5	51,070	-
Trust Account		<u>22,997</u>	<u>23,916</u>
TOTAL CURRENT LIABILITIES		<u>940,291</u>	<u>745,901</u>
NON CURRENT LIABILITIES			
Provision for Long Service Leave	4	442,958	472,221
Provision for Redundancy	5	<u>129,660</u>	<u>-</u>
TOTAL NON CURRENT LIABILITIES		572,618	472,221
TOTAL LIABILITIES		<u>1,512,909</u>	<u>1,218,122</u>
NET ASSETS		<u>2,176,908</u>	<u>2,147,315</u>

To be read in conjunction with the attached notes.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	<u>31/12/06</u> \$	<u>31/12/05</u> \$
<u>INCOME</u>			
Subscriptions		4,246,936	3,953,745
Hardship Fund Income		368,192	620,161
Revaluation of Managed investments		77,994	82,305
Joining Fees		49,960	73,018
Other Receipts - Sundry Income		515,656	338,840
Interest Received		40,163	43,704
Rent Received		10,815	8,958
Eureka Products		(17,741)	(8,273)
Occupational Health and Safety Income		123,600	21,500
Administration - CSTC		121,591	109,413
Legal Levy income		(11)	3,219
Gain / (loss) on Sale of Assets		<u>(5,630)</u>	<u>(10,206)</u>
		5,531,525	5,236,384
<u>EXPENDITURE</u>			
Advertising		29,992	60,419
Affiliation Fees		46,568	45,133
Auditor's Remuneration		22,382	18,573
Bank Charges		31,337	27,848
Campaign Costs		117,540	28,524
Charity Fund Expenditure		14,087	50,740
Computer Requirements		73,044	17,585
Consulting Fees		23,708	49,872
Depreciation		83,100	89,600
Donations		43,750	139,380
Freight		2,858	8,666
Funeral Benefits		300	300
Fringe Benefits Tax		53,820	20,869
Hardship Fund Expenditure		92,968	26,372
Insurance		75,980	76,601
Legal and Settlement Costs		700,937	163,572
Meeting Expenses		23,202	26,718
Motor Vehicle Expenses & Service charges		121,471	97,948
Payroll Tax		162,003	119,756
Parking		2,199	3,364
Photography		2,185	2,151
Printing, Postage & Stationery		134,021	150,217
Photocopying & Office Expenses		24,888	26,340
Provision for Employee Entitlements		(38,242)	334,283
Rent, Rates and Electricity		45,348	41,653
Repairs & Maintenance		10,107	16,383
Staff Amenities		36,665	18,675
Subscriptions		15,677	19,190
Superannuation and Redundancy Contributions	6	705,197	300,358
Sustentation Fees (Federal)		328,007	315,001
Telephone		100,485	114,198
Training		2,800	-
Travel and Accommodation		325,007	389,574
Wages – Office holders	6	1,100,164	1,022,937
Wages - Other employees	6	<u>988,377</u>	<u>695,712</u>
		<u>5,501,932</u>	<u>4,517,407</u>
SURPLUS		<u>29,593</u>	<u>718,977</u>

To be read in conjunction with the attached notes.

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2006**

	General Funds	Hardship Fund	Total
Balance at 1 January 2005	1,428,338	-	1,428,338
Surplus/(Deficit) for the period ended 31 December 2005	26,770	-	26,770
Net transfers into (from) Hardship Fund	<u>-</u>	<u>692,207</u>	<u>692,207</u>
Balance at 31 December 2005	<u>1,455,108</u>	<u>692,207</u>	<u>2,147,315</u>
Surplus/(Deficit) for the period ended 31 December 2006	113,033	-	113,033
Net transfers into (from) Hardship Fund	<u>-</u>	<u>(83,440)</u>	<u>(83,440)</u>
Balance at 31 December 2006	<u>1,568,141</u>	<u>608,767</u>	<u>2,176,908</u>

To be read in conjunction with the attached notes.

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

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	<u>Notes</u>	<u>31/12/06</u> \$	<u>31/12/05</u> \$
<u>CASHFLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from members		4,296,896	4,028,932
Other receipts		1,129,190	1,088,345
Payments to suppliers and employees		(5,178,847)	(4,156,682)
Interest received		40,163	43,704
Taxes		-	19,154
		<hr/>	<hr/>
Net Cash Provided by (expended on) Operating Activities	8	287,402	1,024,149
		<hr/>	<hr/>
<u>CASHFLOWS FROM INVESTING ACTIVITIES</u>			
Payments for Investments		-	(778,011)
Payments for Plant & Equipment		(61,055)	(142,696)
Proceeds from Sale of Equipment		(5,630)	39,138
		<hr/>	<hr/>
Net Cash Provided by (used in) Investing Activities		(66,685)	(881,569)
		<hr/>	<hr/>
<u>CASHFLOW FROM FINANCING</u>			
Decrease in Loans Payable		-	-
Decrease in Loans Receivable		-	-
		<hr/>	<hr/>
Net Cash Provided by Financing Activities		-	-
		<hr/>	<hr/>
Net Increase (Decrease) in Cash Held		220,717	142,580
Cash at 1 January 2006		1,689,568	1,546,987
		<hr/>	<hr/>
Cash at 31 December 2006		<u>1,910,285</u>	<u>1,689,468</u>

To be read in conjunction with the attached notes.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

FOR THE YEAR ENDED 31 DECEMBER 2006
NOTES TO AND FORMING PART OF THE ACCOUNTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other pronouncements of the Australian Accounting Standards Board and the reporting guidelines made under section 255 of Schedule 1B of the Workplace Relations Act 1996.

The financial report of Construction Forestry Mining and Energy Union Construction and General Division – WA Branch complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The financial statements have been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(a) MEMBERSHIP CONTRIBUTIONS AND LEVY INCOME

Membership contributions and levy income are accounted for on a cash receipts basis.

(b) PROPERTY, PLANT AND EQUIPMENT

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

The carrying amount of property, plant and equipment is reviewed annually by board members 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.

Depreciation

The Depreciable amount of all fixed assets is depreciated on the diminishing value over their useful lives to the Union commencing from the time the asset is held ready for use.

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

Furniture & Fittings	10-37.5%pa
Motor Vehicles	22.5%pa

(c) IMPAIRMENT OF ASSETS

At each reporting date, the union reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the 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.

(d) INCOME TAX

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under section 50-15 of the Income Tax Assessment Act (1997).

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

**FOR THE YEAR ENDED 31 DECEMBER 2006
NOTES TO AND FORMING PART OF THE ACCOUNTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

e) FINANCIAL INSTRUMENTS

Recognition

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

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period which they arise.

Loans and receivables

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

Available-for-sale financial assets

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

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 assess 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 impairment has arisen. Impairment losses are recognised in the income statement.

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

**FOR THE YEAR ENDED 31 DECEMBER 2006
NOTES TO AND FORMING PART OF THE ACCOUNTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

f) EMPLOYEE BENEFITS

Provision is made for the Union's liability for employee benefits arising from services rendered by employees at balance date.

Liability for Annual Leave benefits are expected to be settled within 12 months and are therefore considered current liabilities. Liability for Long Service Leave benefits are not expected to be settled within 12 months and are therefore considered non current liabilities, notwithstanding that immaterial amounts may be settled within the next 12 months.

Provisions for employee benefits are brought to account at the amounts expected to be paid when the liability is settled, plus related on-costs. Provisions for redundancy fund is accrued at its current value. Any movement in the redundancy provision is expensed through the superannuation account.

Superannuation contributions made by the Branch are expensed when due, except in the case for the redundancy fund mentioned above.

g) GOODS & SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST except;

- Where GST incurred on purchases is not recoverable from the ATO, GST is recognised as part of the cost of the purchase.

Receivables and payables are stated with the amount of GST included.

h) MANAGED INVESTMENTS

Managed Investments comprise of a diversified portfolio of tradeable equities managed by an independent fund manager. Managed Investments are classified as "financial assets at fair value through profit and loss" and are recorded at net market value, with any changes in net market value brought to account in the Income Statement in the periods in which they occur.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Key estimates – Impairment

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

REGISTRATION STATUS

The Construction Forestry Mining and Energy Union Construction and General Division – WA Branch is a federally registered divisional branch of the Construction Forestry Mining and Energy Union.

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

**FOR THE YEAR ENDED 31 DECEMBER 2006
NOTES TO AND FORMING PART OF THE ACCOUNTS**

2. LOANS RECEIVABLE

The loans receivable from the Construction Forestry Mining and Energy Union of Workers (CFMEUW) and the Construction Skills Training Centre (CSTC) are unsecured, interest free and at call.

	<u>31/12/06</u>	<u>31/12/05</u>
	\$	\$

3. PROVISION FOR HOLIDAY PAY

Amounts payable to:

- Office holders	267,170	266,147
- Other Employees	<u>104,331</u>	<u>114,334</u>
	<u>371,501</u>	<u>380,481</u>

4. PROVISION FOR LONG SERVICE LEAVE

Amounts payable to:

- Office holders	358,017	387,174
- Other Employees	<u>84,941</u>	<u>85,047</u>
	<u>442,958</u>	<u>472,221</u>

5. PROVISION FOR REDUNDANCIES

Amounts payable to:

- Office holders	133,250	-
- Other Employees	<u>47,480</u>	<u>-</u>
	<u>180,730</u>	<u>-</u>

The Redundancy Provision is an amount payable either upon termination of employment or when the employee elects for the amount to be paid into their Superannuation fund. The movement of this account is recognised as an expense through "Superannuation and Redundancy Contributions", in the Income Statement.

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

**FOR THE YEAR ENDED 31 DECEMBER 2006
NOTES TO AND FORMING PART OF THE ACCOUNTS**

	<u>31/12/06</u>	<u>31/12/05</u>
	\$	\$
6. EMPLOYEE BENEFITS		
Employee benefits paid to Office holders during the year comprised of:		
Wages	1,020,039	972,386
Annual leave/long service leave	<u>80,121</u>	<u>50,551</u>
	1,100,160	1,022,937
Non monetary benefits	63,711	56,114
Superannuation and Redundancy	<u>502,911</u>	<u>202,999</u>
	<u>1,666,782</u>	<u>1,282,050</u>
Employee benefits paid to other employees during the year comprised:		
Wages	886,714	652,114
Annual leave/long service leave	<u>101,664</u>	<u>43,598</u>
	988,378	695,712
Non monetary benefits	40,357	8,050
Superannuation and Redundancy	<u>202,285</u>	<u>97,359</u>
	<u>1,231,020</u>	<u>801,121</u>

7. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of Section 272, subsections (1), (2) and (3) of the Workplace Relations Act 1996, an organisation shall, on the application of a member of the organisation or Registrar made as prescribed, make available to the member or to the Registrar, as the case may be, specified information in such manner and within such time as is prescribed.

The Registrar shall not make an application except at the request of a member of the organisation concerned, the Registrar, when he receives information as result of an application, made at the request of such a member, shall furnish the information to the member.

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

**FOR THE YEAR ENDED 31 DECEMBER 2006
NOTES TO AND FORMING PART OF THE ACCOUNTS**

8. CASHFLOW INFORMATION

Reconciliation of Cashflow from Operations with Operating Surplus is as follows;

	<u>31/12/06</u>	<u>31/12/05</u>
	\$	\$
Operating Surplus	29,593	718,977
Non cash flows in operating surplus		
Depreciation	83,100	89,600
Revaluation of Managed Investments	(77,994)	(82,305)
Changes in Assets and Liabilities		
(Increase)/decrease in sundry debtors	(47,714)	(5,437)
Increase/(decrease) in sundry creditors	152,300	(60,031)
Increase/(decrease) in employee entitlements	142,487	333,285
(Profit)/Loss on sale of investments/assets	5,630	10,206
(Increase) in loans receivable	-	-
Increase/(Decrease) in taxes	-	19,854
	<hr/>	<hr/>
Cash Flows from (to) Operations	<u>287,402</u>	<u>1,024,149</u>

9. CONTINGENT LIABILITIES

The Union and specified officials are subject to regulatory actions and are being sued for unspecified damages in a number of separate actions arising from industrial disputes. The Committee of Management are of the opinion that the actions can be successfully defended by the Union and are currently involved in litigation challenging the actions.

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

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

10. RELATED PARTY DISCLOSURES

There are no related party transactions other than remuneration of office holders, as disclosed in Note 6, loans receivable from the Construction Forestry Mining and Energy Union of Workers (CFMEUW) and Construction Skills Training Centre (CSTC), as disclosed in the Balance Sheet and Administration fees charged to the Construction Skills Training Centre, as disclosed in the Income Statement.

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

**FOR THE YEAR ENDED 31 DECEMBER 2006
NOTES TO AND FORMING PART OF THE ACCOUNTS**

11. EVENTS SUBSEQUENT TO BALANCE DATE

No matters or events have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Branch, the results of those operations or the state of affairs of the Branch in subsequent financial periods.

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

FOR THE YEAR ENDED 31 DECEMBER 2006

**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY
CASH BASIS FOR YEAR ENDED 31 DECEMBER 2006**

	2006 \$	2005
Receipts		
Amounts recovered from employers in respect of wages etc (in respect of 75 workers in 2006 and 134 workers in 2005)	2,800	46,582
Interest received on recovered money	<u>100</u>	<u>396</u>
Total receipts	<u><u>2,900</u></u>	<u><u>46,978</u></u>
Payments		
Deductions of amounts due in respect of membership for:		
• 12 months or less	-	1,101
• greater than 12 months	-	-
Deductions of donations or other contributions to accounts Or funds of:		
• Construction & Building Industry Super	-	-
• WA Construction Industry Redundancy Fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	<u>3,819</u>	<u>43,708</u>
Total payments	<u><u>3,819</u></u>	<u><u>44,809</u></u>
Surplus / Deficit for the year	<u><u>(919)</u></u>	<u><u>2,169</u></u>
BALANCE SHEET AS AT 31 DECEMBER 2006		
ASSETS		
Cash at bank at beginning of period	23,916	21,747
Add Excess (deficiency) of Receipts over Payments	<u>(919)</u>	<u>2,169</u>
TOTAL ASSETS	<u><u>22,997</u></u>	<u><u>23,916</u></u>
LIABILITIES		
Unclaimed Wages (in respect of 46 workers In 2006 and 48 workers in 2005)	<u><u>22,997</u></u>	<u><u>23,916</u></u>

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

FOR THE YEAR ENDED 31 DECEMBER 2006

COMMITTEE OF MANAGEMENT STATEMENT

on Wednesday 11 April 2007.

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

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

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- c) the financial statements and notes give a true and fair view of the 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 the 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.
- 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

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

FOR THE YEAR ENDED 31 DECEMBER 2006

COMMITTEE OF MANAGEMENT STATEMENT (CONT)

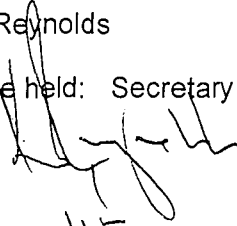
- (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
- (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy or 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 monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

This declaration is true and I know that it is an offence to make a declaration knowing that it is false in a material particular - for and on behalf of the Committee of Management:

Kevin Noel Reynolds

Title of Office held: Secretary

Signature:



Dated this

11

day of



2007.

AUDITORS REPORT

**TO THE MEMBERS OF CONSTRUCTION FORESTRY MINING AND ENERGY UNION
THE CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

Scope

We have audited the Accounts of the Construction Forestry Mining and Energy Union Construction and General Division – WA Branch for the year ended 31 December 2006, including the Recovery of Wages – Statement of Receipts and Payments.

The Branch Executive are responsible for the preparation of the accounts and the information they contain.

We have conducted an independent audit of these accounts in order to express an opinion on them to the Members of the Branch.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the accounts are free from material misstatement. Our procedures included examination on a test basis, of evidence supporting the amounts and other disclosures in the Accounts, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects the accounts are presented fairly in accordance with Australian Accounting Standards and statutory requirements so as to present a view of the Branch which is consistent with our understanding of its financial position and the results of its operations.


The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion:

- (i) there were kept by the organisation in respect of the period satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purpose of expenditure;
- (ii) the attached accounts, notes, Recovery of Wages – Statement of Receipts and Payments and statements on pages 3 to 16 have been prepared in accordance with applicable Accounting Standards, and are properly drawn up in accordance with the provisions of Section 255 of the Workplace Relations Act 1996 in accordance with the rules of the organisation, and so as to give a true and fair view of,
 - a) the financial affairs of the organisation as at 31 December 2006, including properly and fairly reporting all information required by the reporting guidelines of the Industrial Registrar; and
 - b) the income and expenditure and surplus of the organisation for the year ended on that date.


MOORE STEPHENS
CHARTERED ACCOUNTANTS
PERTH


NEIL PACE
PARTNER
REGISTERED COMPANY AUDITOR
182668

Dated this 23rd day of May 2007 in Perth, Western Australia.

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

CERTIFICATE OF SECRETARY

I, Kevin Noel Reynolds being the Secretary of the Construction Forestry Mining and Energy Union Construction and General Division – WA Branch certify:

- that the documentation 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 the 11th APRIL 2007 and 9th MAY 2007
- that the full report was presented to a general meeting of members on 13th JUNE 2007 in accordance with section 266 of the RAO Schedule.

Dated this 15th day of JUNE 2007.


Secretary
CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH



Australian Government
Australian Industrial Registry

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

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

COPY

Dear Mr Roberts

**Re: Lodgement of Financial Statements and Accounts – Construction and General
Division, Western Australian Divisional Branch – for year ending 31 December 2006
(FR2006/598)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 27 June 2007.

The documents have been filed.

Yours sincerely,

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

Stephen Kellett
for Deputy Industrial Registrar

10 July 2007