



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: FR2004/669-[105N-ACT]

Mr George Wason
Branch Secretary/Treasurer
CFMEU Construction & General Division
Australian Capital Territory Divisional Branch
P.O. Box 498
DICKSON ACT 2602

Dear Mr Wason

Financial Return - year ending 31 December, 2004

Our records show your 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*.

New legislation

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.

The legislation has changed since your last return. In May 2003 the Industrial Registrar wrote to all organisations forwarding a number of facts sheets outlining the major changes made by Schedule 1B of the Workplace Relations Act 1996 ('RAO'¹). While the immediate changes affected the rules and elections in organisations, the changes affecting financial returns involve a longer lead time.

The key differences under the new legislation affecting financial returns are:

- a reduced financial reporting cycle (now maximum periods of 5 or 6 months depending on internal arrangements of organisation)
- a greater emphasis given to Australian Accounting Standards
- the introduction of a new report, known as an Operating Report (broadly similar in concept to a Director's Report under the corporations legislation)
- extensions of time are limited to one month
- restructured penalty provisions involving more extensive use of Civil Penalties
- the introduction of the Industrial Registrar's Reporting Guidelines
- organisations and their branches to report according to their financial structures, known as 'reporting units'.

We recommend you discuss the new requirements with your accountant or auditor.

¹ Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the *Workplace Relations Act 1996*)

Reporting Unit

One of the new concepts of the RAO legislation is that 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 refer to your organisation as a 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:

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

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); and

Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C)

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 and the second meeting 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). When lodging the financial return please quote: **FR2004/669**.

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.

Reduced Reporting Requirements

If your reporting unit meets certain conditions, some of these reporting requirements can be reduced. Such conditions might be where the annual income of the reporting unit (where the reporting unit is the whole of the organisation) is less than \$100,000, or where the reporting unit has no financial affairs in the financial year, or where the financial affairs of the reporting unit are encompassed by the financial affairs of its counterpart State industrial association.

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at peter.mckerrow@air.gov.au or 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 procedure but we cannot give you legal or accounting advice.

Information on AIRC Website

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

- [RAO Schedule and 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 new requirements of the RAO Schedule - many of them deal with financial reporting matters.

Yours sincerely



for Deputy Industrial Registrar
19 January 2005

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?	
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.

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:

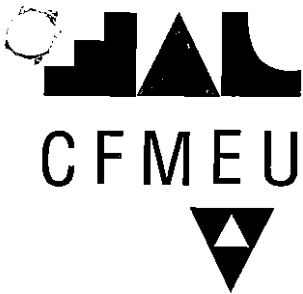
¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(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 April, 2005

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, A C T Branch, for the year ending 31st December, 2004.

Please confirm receipt at your earliest convenience.

Yours faithfully,

TOM ROBERTS
National Legal Officer

Encl.




CONSTRUCTION &
GENERAL DIVISION
ABN 46 243 168 565

JOHN SUTTON
National Secretary

FEDERAL OFFICE
LEVEL 2
15 WENTWORTH AVENUE
SYDNEY NSW 2000

PO BOX Q235
QUEEN VICTORIA BLDG
POST OFFICE
SYDNEY NSW 1230

PH: (02) 9267 7644
FAX: (02) 9267 8863
WEB:

www.cfmeu.asn.au/construction

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH**

**FINANCIAL REPORT
AT 31st DECEMBER 2004**

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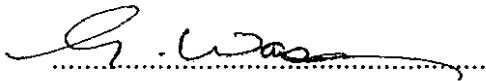
**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH**

SECRETARY'S CERTIFICATE

I, George Wason certify that the auditor's report, general purpose financial report and the operating report of the above named reporting unit for the year ended 31st December 2004, annexed hereto, are copies of the documents presented to the meeting of the reporting unit's Committee of Management on 19th April, 2005.

Pursuant to section 265 (1) of the *Workplace Relations Act 1996* members were supplied with a copy of the above mentioned statements, printed in the CFMEU ACT Branch Journal – Autumn Edition, posted 22nd March 2005.

Dated at Canberra this 19th day of April 2005.



George Wason
Branch Secretary
CFMEU
Construction and General Division
ACT Branch



KLa Accounting

Unit 8, 10 Kennedy Street
Kingston, ACT, 2604
Telephone: +61 (0)2 6239 5007
Facsimile: +61 (0)2 6239 5009
email : mail@kla.com.au

Correspondence:
GPO Box 75
Canberra, ACT, 2601

ABN 55 843 098 729

CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH

Scope

I have audited the general purpose financial report of Construction Forestry Mining and Energy Union, Construction and General Division - ACT Branch ("reporting unit") for the year ended 31st December 2004. The Committee of Management is responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the members.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements in Australia and other requirements imposed by Part 3, Chapter 8 of the *Workplace Relations Act 1996* so as to present a view which is consistent with my understanding of the reporting unit's financial position and performance as represented by the results of its operations and its cash flows.

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

Audit Opinion

In my opinion:

- a) the general purpose financial report of the reporting unit presents a true and fair view in accordance with
 - i) applicable Accounting Standards,
 - ii) other mandatory professional reporting requirements in Australia, and



KLα

iii) other requirements imposed by Part 3, Chapter 8 of the *Workplace Relations Act 1996*

of the financial position of the reporting unit as at 31st December 2004, and the results of its operations and cash flows for the year then ended;

- b) there are no defects or irregularities in the general purpose financial report;
- c) there are no deficiencies, failures or shortcomings in respect of the matters referred to in subsection (2) of section 257 or section 252 of the *Workplace Relations Act 1996*;
- d) all the information and explanations that under section 257 of the *Workplace Relations Act 1996* were required to be provided by officers or employees of the Branch were provided.

Dated at Canberra this 21st day of February 2005.

KLα Accounting
Chartered Accountant



C G Fearon - Registered Company Auditor

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH**

COMMITTEE OF MANAGEMENT STATEMENT

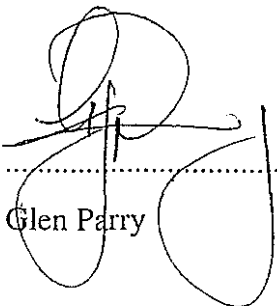
On the 21st February 2005 the Committee of Management of the Construction Forestry Mining and Energy Union, Construction and General Division - ACT Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31st December 2004:


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 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) the organisation does not consist of 2 or more reporting units; and
 - v) no information has been sought in any request of a member of the reporting unit or a Registrar under section 272 of the RAO Schedule; and
 - vi) no orders have been made by the Commission under section 273 of the RAO Schedule during the period.

For Committee of Management:

Dated at Canberra this 21st day of February 2005.


Glen Parry


Sarah Schoonwater

CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH

OPERATING REPORT

Principal Activities

CFMEU, Construction & General Division – ACT Branch (“reporting unit”) is committed to advancing the wages, conditions, and wellbeing of its membership.

The reporting unit’s principal activities during the year were:

- Representation of members on the job.
- Union-negotiated collective agreements.
- Assisting members with legal representation.
- Facilitating access to training courses.
- Informing members through the regular newsletter
- Sale of products to union members.
- Investment of union funds.

The reporting unit incurred an operating deficit for the year ended 31st December 2004 of \$262,372 (2003 – Surplus \$583,177). The deficit was a result of the diminution in the value of the investment in the Cypress Court Property Trust of \$368,269.

There were no significant changes in the nature of the reporting unit’s activities during the year.

Significant changes in financial affairs

The significant changes in the reporting unit’s financial affairs during the year were:

Provision for diminution of unit trust investment - Cypress Court Property Trust	\$(368,269)	\$ Nil
Profit on sale of non-current assets	\$ Nil	\$ 576,436

Members rights to resign

A member must apply to resign via correspondence. The resignation takes affect on the date it is received by the union or date nominated by the member – whichever is the latest. The member must be financial to this date and pay any outstanding arrears before a clearance can be issued.

Officers as Trustees

George Wason is trustee of C+BUSS and Chairman of Investment committee for C+BUSS

Other information

There is no other information that the reporting unit considers is relevant.

Prescribed information

- (a) the number of persons that were, at 31st December 2004, recorded in the register of members for section 230 of the RAO Schedule and who are taken to be members of the reporting unit under section 244 of the RAO Schedule was 2227;

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH**

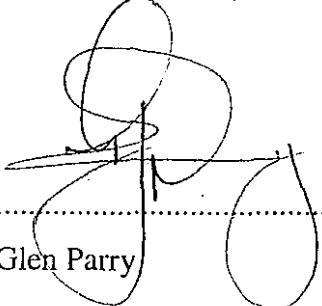
OPERATING REPORT (Continued)

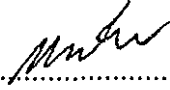
- (b) the number of persons who were, at 31st December 2004, employees of the reporting unit, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis was 10 employees;
- (c) the name of each person who has been a member of the committee of management of the reporting unit at any time during the year ended 31st December 2004, and the period for which he or she held such a position is:

<u>Name</u>	<u>Period</u>
George Wason	Full year
Sarah Schoonwater	Full year
Glenn Parry	Full year
Les Lanscar	Full year
Phil Johnstone	Full year
Rod Driver	Full year
Wayne Wilson	Full year
Allan Dillon	Full year
Rob Martin	Full year
Max Harmer	Full year
Dave MacGregor	Full year
Don Rail	Full year
Brian Larke	1 Jan 2004 – 21 Sept 2004
Jason O'Mara	21 Sept 2004 - present
Ricky Kimberly	21 Sept 2004 – present
Mark Dymock	21 Sept 2004 – present
Jack Broaderick	21 Sept 2004 - present

For and on behalf of the Committee of Management:

Dated at Canberra, ACT this 21st day of February 2005.


.....
Glen Parry


.....
Sarah Schoonwater

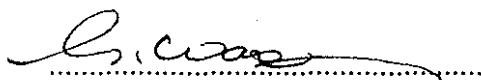
**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH**

ACCOUNTING OFFICER'S CERTIFICATE

I, George Wason, being the officer responsible for keeping the accounting records of the Construction Forestry Mining and Energy Union - Construction and General Division - ACT Branch, hereby certify that as at 31st December 2004 the number of members of the Branch was 1496 and that in relation to the 2004 financial year, in my opinion;

- (a) the accounts annexed hereto show a true and fair view of the financial affairs of the Branch as at the end of the financial year;
- (b) a record has been kept of all monies paid by, or collected from, members of the Branch, and all monies so paid or collected have been credited to the bank account to which these monies are to be credited in accordance with the rules of the Branch;
- (c) before any expenditure was incurred by the Branch, approval for the incurring of the expenditure was obtained in accordance with the rules of the Branch;
- (d) as to funds of the Branch raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of such funds other than for the purposes for which the fund was created;
- (e) all loans or other financial benefits granted to persons holding office in the Branch were authorised in accordance with the rules of the Branch;
and
- (f) the register of members of the Branch was maintained in accordance with the Act.

Dated at Canberra this 21st day of February 2005.


George Wason

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH**

**BALANCE SHEET
AS AT 31 DECEMBER 2004**

	Note	2004 \$	2003 \$
CURRENT ASSETS			
Cash	6	573,413	256,347
Receivables	7	2,288	8,333
Loans	7	<u>280,713</u>	<u>345,321</u>
TOTAL CURRENT ASSETS		<u>856,414</u>	<u>610,001</u>
NON-CURRENT ASSETS			
Investments	8	2,158,737	2,563,481
Property, plant and equipment	9	<u>160,466</u>	<u>221,617</u>
TOTAL NON-CURRENT ASSETS		<u>2,319,203</u>	<u>2,785,098</u>
TOTAL ASSETS		<u>3,175,617</u>	<u>3,395,099</u>
CURRENT LIABILITIES			
Creditors and borrowings	10	31,018	40,809
Taxation	11	11,424	-
Provisions	12	<u>175,110</u>	<u>139,980</u>
TOTAL CURRENT LIABILITIES		<u>217,552</u>	<u>180,789</u>
NON-CURRENT LIABILITIES			
Provisions	12	<u>92,461</u>	<u>86,334</u>
TOTAL NON-CURRENT LIABILITIES		<u>92,461</u>	<u>86,334</u>
TOTAL LIABILITIES		<u>310,013</u>	<u>267,123</u>
NET ASSETS		<u>2,865,604</u>	<u>3,127,976</u>
MEMBERS' EQUITY			
Retained surpluses		<u>2,865,604</u>	<u>3,127,976</u>

The accompanying notes form part of these financial statements

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH**

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Note	2004 \$	2003 \$
OPERATING SURPLUS / (DEFICIENCY)		(262,372)	583,177
Income Tax Expense		-	-
OPERATING SURPLUS / (DEFICIENCY) AFTER INCOME TAX		<u>(262,372)</u>	<u>583,177</u>
Profit on Extraordinary Items		-	-
Income Tax attributable to profit on extraordinary items		-	-
Profit on extraordinary items after tax		<u>-</u>	<u>-</u>
OPERATING SURPLUS / (DEFICIENCY) AND EXTRAORDINARY ITEMS AFTER INCOME TAX		(262,372)	583,177
Retained Surplus at the beginning of the year		<u>3,127,976</u>	<u>2,544,799</u>
RETAINED SURPLUS AT THE END OF THE FINANCIAL YEAR		<u>\$ 2,865,604</u>	<u>\$ 3,127,976</u>

The accompanying notes form part of these financial statements

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Note	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from members' subscriptions		1,155,615	690,726
Cash payments to suppliers & employees		(1,366,767)	(1,595,798)
Interest received		11,567	3,224
Rent received		173,305	186,949
Donations received		229,000	220,000
Payment of affiliation fees, capitation fees & dispute levies		<u>(58,310)</u>	<u>(70,768)</u>
NET CASH FROM OPERATING ACTIVITIES	19	<u>144,410</u>	<u>(565,667)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		-	(87,226)
Proceeds from Unit Trust Investments		119,000	96,178
Proceeds from related party loans		47,292	-
Proceeds from disposal of fixed assets		<u>6,364</u>	<u>695,727</u>
NET CASH FROM INVESTING ACTIVITIES		<u>172,656</u>	<u>704,679</u>
NET CASH INCREASE FOR THE YEAR		317,066	139,012
Cash at the beginning of the year		<u>256,347</u>	<u>117,335</u>
Cash at the end of the year	6,18	<u><u>573,413</u></u>	<u><u>256,347</u></u>

The accompanying notes form part of these financial statements

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004	2003
	\$	\$
2 OPERATING REVENUE		
Included in operating revenue are the following items entering into the determination of operating surplus:		
Revenue:		
-Membership subscriptions	613,841	546,768
-Rent received	173,305	186,949
-Donations received	229,000	220,000
-Interest received	11,567	3,224
-Investment income - Profits from Unit Trust	101,684	96,178
-Contributions Received	300,848	45,529
-Training Income	72,675	45,685
-Sundry income	54,972	50,867
-Counter sales	717	1,877
-Profit on sale of fixed assets	-	576,436
3 OPERATING SURPLUS		
Included in operating surplus are the following items of expense:		
Depreciation of property, plant and equipment	48,847	57,419
Amortisation of buildings	36,475	38,459
Loss on Disposal of Assets	5,940	6,744
Amounts set aside to provisions for Employee entitlements		
- Annual leave	24,772	15,512
- Long service leave	6,127	9,466
- Rostered Days Off	10,358	4,598
Remuneration of auditors		
Amounts received or due and receivable by the auditors for:		
- Auditing the accounts	9,600	4,400
- Other services	-	-
Donations paid or due and payable	1,000	13,960
Salaries and wages paid or due and payable to:		
- Holders of office	316,665	250,098
- Employees	597,430	335,104

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004	2003
	\$	\$
4 INCOME TAX		
The Union is not liable for income tax		
5 EXTRAORDINARY ITEMS		
Profit on extraordinary items	<u>-</u>	<u>-</u>
6 CASH		
Cash at bank	571,955	255,047
Cash on hand	1,458	1,300
	<u>573,413</u>	<u>256,347</u>
7 RECEIVABLES		
Current		
Sundry debtors	<u>2,288</u>	<u>8,333</u>
Loans - CTUC	<u>280,713</u>	<u>345,321</u>
8 INVESTMENTS		
Current	-	-
Non-Current		
Investment properties - at cost	1,187,297	1,187,297
Improvements	96,685	96,685
Accumulated Amortisation	(542,476)	(506,001)
	<u>741,506</u>	<u>777,981</u>
Investment in Unit Trust	<u>1,417,231</u>	<u>1,785,500</u>
	<u>2,158,737</u>	<u>2,563,481</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004 \$	2003 \$
9 PROPERTY, PLANT AND EQUIPMENT		
Leasehold Land and Buildings	-	-
Less: Accumulated Amortisation	-	-
	<u>-</u>	<u>-</u>
Plant and Equipment	-	-
Less: Accumulated Depreciation	-	-
	<u>-</u>	<u>-</u>
Motor Vehicles	275,603	304,134
Less: Accumulated Depreciation	115,137	82,517
	<u>160,466</u>	<u>221,617</u>
Library	-	-
Less: Accumulated Depreciation	-	-
	<u>-</u>	<u>-</u>
Fixtures and Fittings	-	-
Less: Accumulated Depreciation	-	-
	<u>-</u>	<u>-</u>
Total Property, Plant and Equipment	<u>160,466</u>	<u>221,617</u>
10 CREDITORS AND BORROWINGS		
Current		
Sundry Creditors	22,818	32,609
Accrued Expenses	8,200	8,200
	<u>31,018</u>	<u>40,809</u>
11 TAXATION LIABILITIES		
Current		
GST Payable	4,833	-
GST Input Tax Receivable	(3,226)	-
Fringe Benefits Tax	9,816	-
	<u>11,424</u>	<u>-</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004	2003
	\$	\$
12 PROVISIONS		
Current		
Provision for Employee Entitlements	<u>175,110</u>	<u>139,980</u>
Non-Current		
Provision for Employee Entitlements	<u>92,461</u>	<u>86,334</u>

13 COMMITMENTS AND CONTINGENT LIABILITIES

The estimated maximum amount of commitments and contingent liabilities not provided for in the financial statements as at 31st December 2004 are:

Commitments

In relation to business undertakings	-	-
--------------------------------------	---	---

Contingent Liabilities

In relation to business undertakings	-	-
--------------------------------------	---	---

14 EVENTS SUBSEQUENT TO BALANCE DATE

Since the balance date of 31 December 2004 there have been no events that are of a material nature or likely to have a material effect on the financial statements of the Union.

15 RELATED PARTY TRANSACTIONS

During the year there have been no related party transactions not otherwise disclosed in the financial statements.

16 REMUNERATION OF OFFICE HOLDERS

Salaries and wages	316,665	250,098
Value of other benefits	-	-
	<u>316,665</u>	<u>250,098</u>

17 BENEFITS RECEIVED FROM OTHER SOURCES

The Union has expenses which are paid for from other sources. Total value of expenses paid for on behalf of the Union are within the range of \$200,000 to \$250,000 for the financial year.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004	2003
	\$	\$

18 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 Balance Sheet as follows:

Cash at Bank	571,955	255,047
Cash on Hand	1,458	1,300
	<u>573,413</u>	<u>256,347</u>
	<u>\$ 573,413</u>	<u>\$ 256,347</u>

**19 RECONCILIATION OF OPERATING SURPLUS TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

Operating Surplus after income tax	(262,372)	583,177
Add / (Less) Non Cash Items		
Depreciation and amortisation	85,322	95,878
Diminution in value of investments	368,269	-
Profit from investments	(101,684)	-
Transfers to provisions	41,257	29,576
Decrease in receivables	6,045	(2,201)
Decrease / (Increase) in Loans	-	(609,641)
Increase in creditors and accrued expenses	(9,791)	3,414
Increase in taxation liabilities	11,424	-
Loss (profit) on sale of fixed assets	5,940	(569,692)
	<u>144,410</u>	<u>(469,489)</u>
Net cash Provided by Operating Activities	<u>\$ 144,410</u>	<u>\$ (469,489)</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH**

**DETAILED STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004	2003
	\$	\$
INCOME		
Donations	229,000	220,000
Interest Received	11,567	3,224
Investment Income - Profits from Unit Trust	101,684	96,178
Membership Fees	613,841	546,768
Rents Received	173,305	186,949
Sundry Income	54,972	50,867
Contributions Received	300,848	45,529
Training Income	72,675	45,685
Profit on sale of non-current Assets	-	576,436
Counter Sales	717	1,877
TOTAL INCOME	<u>1,558,609</u>	<u>1,773,513</u>
EXPENDITURE		
Affiliation Fees	12,354	12,424
Amortisation	36,475	38,459
Auditor's Remuneration	9,600	4,400
Bank Charges	3,823	3,380
Capitation Fees - National Office	45,956	58,344
Commissions Paid	6,443	6,888
Counter Sales Merchandise	10,123	7,028
Depreciation - Plant & Equipment	-	1
Depreciation - Motor Vehicles	48,847	57,417
Depreciation - Fixtures & Fittings	-	1
Donations	1,000	13,960
Electricity	-	207
Entertainment Expenses	-	(509)
Fringe Benefits Tax	36,397	38,345
Gift Vouchers	-	-
Insurance	11,330	5,155

The accompanying notes form part of these financial statements

This statement is to be read in conjunction with the attached compilation report by

KLa Accounting, Chartered Accountant

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH**

**DETAILED STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2004**

Legal Costs	47	2,457
Loss on sale of non-current assets	5,940	6,744
Meeting Expenses	87	2,164
Memberships - Clubs	20,640	22,584
Motor Vehicle Expenses	26,711	29,718
Payroll Tax	1,221	66
Postage, Printing and Stationery	2,453	2,466
Protective Clothing	3,936	3,238
Provision for Employee Entitlements	41,257	29,576
Provision for diminution of unit trust investment	368,269	-
Redundancy Contributions	41,695	35,804
Rent - Darwin	7,216	6,098
Rental Property Expenses	39,295	91,178
Salaries and Wages	Office Holders	
	Employees	
	316,665	250,098
	597,430	335,104
Subscriptions	317	43
Sundry Expenses	28	1,105
Superannuation Contributions	96,859	85,460
Telephone	6,400	9,314
Training	(159)	5,315
Travelling Expenses	22,324	26,304
	<u>1,820,981</u>	<u>1,190,336</u>
NET SURPLUS / (DEFICIENCY)	<u><u>\$ (262,372)</u></u>	<u><u>\$ 583,177</u></u>

The accompanying notes form part of these financial statements
This statement is to be read in conjunction with the attached compilation report by
KLa Accounting, Chartered Accountant



KLα Accounting
Unit 8, 10 Kennedy Street
Kingston, ACT, 2604
Telephone: +61 (0)2 6239 5007
Facsimile: +61 (0)2 6239 5009
email : mail@kla.com.au

Correspondence:

GPO Box 75

Canberra, ACT, 2601

ABN 55 843 098 729

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH**

**COMPILATION REPORT
TO THE MEMBERS OF**

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH**

Scope

On the basis of information provided by the Committee of Management of Construction Forestry Mining and Energy Union, Construction and General Division - ACT Branch, I have compiled in accordance with APS 9: Statement on Compilation of Financial Reports the Detailed Statement of Income and Expenditure for the period ended 31st December 2004.

The specific purpose for which the Detailed Statement of Income and Expenditure has been prepared is set out in Note 1. The extent to which Accounting Standards and other mandatory professional reporting requirements have or have not been adopted in the preparation of the special purpose financial report is set out in Note 1.

The Committee of Management is solely responsible for the information contained in the Detailed Statement of Income and Expenditure and has determined that the accounting policies used are consistent with the financial reporting requirements of the Union's constitution and are appropriate to meet the needs of the Committee of Management for the purpose of complying with the Union's Constitution.

My procedures use accounting expertise to collect, classify and summarise the financial information, which the Committee of Management provided, into a financial report. My procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, I do not accept liability for any loss or damage which any person, other than the Union, may suffer arising from any negligence on my part. No person should rely on the Detailed Statement of Income and Expenditure without having an audit or review conducted.

The Detailed Statement of Income and Expenditure was prepared for the benefit of the Union and the purpose identified above. I do not accept responsibility to any other person for the contents of the special purpose financial report.

Dated at Canberra this 21st day of February 2005.

KLα Accounting

Chartered Accountant

C G Fearon



Australian Government
Australian Industrial Registry

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

Mr Tom Roberts
National Legal Officer
Construction Forestry Mining and Energy Union
Construction & General Division
PO Box Q235
QUEEN VICTORIA BUILDING NSW 1230

Dear Mr Roberts

ACT Divisional Branch - financial return year ending 31 December 2004 (FR2004/669)

I refer to the financial documents lodged in the Registry on 28 April 2005. I apologise for the delayed response.

Before the documents can be filed, I would appreciate the Branch's comments on the following matters. I have also drawn the Branch's attention to matters it may wish to note in preparation of next year's financial return.

General Purpose Financial Report (GPFR)

Notes to Financial Statements

Note 1

The copy of the GPFR lodged appears to omit Note 1 to the Financial Statements. The first Note following the Statement of Cash Flows" on page 10 is Note 2 on page 11. Note 1 is referred to in the "Compilation Report" (page 18) but does not appear to have been included among the documents.

As it is common practice to specify in "Note 1" to financial statements the accounting policies adopted in preparing the GPFR, the content of this Note is critical to the understanding and interpretation of the GPFR by members of the Branch.

Could you please confirm whether Note 1 was included in the GPFR provided to members.

Note 17

This Note states that the Union "has expenses which are paid from other sources" and which are "paid for on behalf of the Union". Paragraph 8(a) of the reporting guidelines of the Industrial Registrar¹ provides that where a reporting unit is dependent on another reporting unit of the organisation for a significant volume of revenue or financial support and that dependency is not clearly discernible from a separate line item in the profit and loss statement or balance sheet, the reporting unit must disclose "the name of the reporting unit on which there is an economic dependency" and "the amount of revenue or financial support derived from the other reporting unit".

If paragraph 8(a) is relevant to this amount, the GPFR should disclose the name of the relevant reporting unit in the GPFR.

¹ Reporting guidelines for the purposes of s253 of the RAO Schedule made 20 June 2003 ("the Guidelines")

Note 7

This note records an item described as "Loans - CTUC - \$280,713". Section 237 of the RAO Schedule provides that an organisation must within 90 days of the end of its financial year or such longer period allowed by the Registrar, lodge a statement "showing the relevant particulars in relation to each loan, grant or donation made by the organisation during the financial year".

In the case of a loan the relevant particulars are:

- the amount of the loan; and
- the purpose for which the loan was required; and
- the security given in relation to the loan; and
- the name and address of the person to whom the loan was made; and
- the arrangements made for the repayment of the loan.

I enclose a copy of s237 for your information. Please arrange to lodge the s237 Statement.

Compilation Report

The auditor's compilation report notes that no responsibility is accepted for the contents of the "Detailed Statement of Income and Expenditure" ("the Statement") contained on pages 16 and 17 of the documents lodged and describes the Statement as a "special purpose financial report".

The Statement appears to include items under the title "Expenditure" which are referred to in the Reporting Guidelines. These require that balances of those "items of expense" must be disclosed either in the Notes to the financial statements unless already disclosed on the face of the profit and loss statement.

Relevant items of expense appear to include:

- affiliation fees - see paragraph 11(d) of the Guidelines
- capitation fees - see paragraph 11(b) of the Guidelines which require the amount and name of each reporting unit to which payments are made to be disclosed
- travelling expenses - see paragraph 11(k) of the Guidelines

It would therefore appear that the Branch, in respect of these items has not fully addressed its obligation under the Guidelines to disclose these matters in its general purpose financial report. It is a matter for the Branch, if in addition to its obligation to prepare a GPFR, it decides to provide additional reports to its members, but its obligations to disclose in its GPFR items of revenue or expense specified in the Guidelines remain.

I would appreciate the Branch's comments on this matter.

Other Matters

The following matters are brought to the Branch's attention:

Notice Required by s272(5) of the RAO Schedule

This provision and paragraph 8(c) of the Guidelines require that the GPFR and notes include a notice drawing attention to subsections (1), (2) and (3) of s272. The required notice is not among the documents lodged. Please ensure this is included in future GPFRs.

Committee of Management Statement

This Statement must include a declaration by the Committee as to whether in its opinion

"where the organisation consists of 2 or more reporting units, the financial records of reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units in the organisation".

In its Statement, the Committee has said that "the organisation does not consist of more than 2 reporting units". However, the ACT Divisional Branch is one of several reporting units of the CFMEU. The Committee is required to express its opinion on whether the Branch has kept "as far as practicable" its financial records consistently with other CFMEU reporting units. Keeping of consistent records as far as practicable is now a requirement under s252(2) of the RAO Schedule.

In future Statements the Branch should express its opinion on this matter. If it is unable to state that its records have been kept as far as practicable in a consistent manner, it should say why.

Operating Report

Section 254(2)(c) of the RAO Schedule requires the operating report "give details of the right of members to resign from the reporting unit under section 174".

The details under this heading in the operating report appear to misstate relevant provisions of s174 and provisions of relevant rules of the Union for the following reasons:

"A member must apply to resign via correspondence"

There is no requirement in the legislation for a member to "apply" to resign. The requirement under s174 is for "written notice" which can be in any written form. The report also omits to state that the notice must be "delivered" and to whom it must be delivered.

"The resignation takes effect on the date it is received by the union or date nominated by the member - whichever is the latest". Subsections 274(2)(a) and (b) respectively provide for when a notice takes effect depending on the whether the member "ceases to be eligible to become a member" and "in any other case".

The details given in the operating report do not distinguish between these different circumstances. In the circumstances described in s274(2)(b), the Union's rules provide that the notice takes effect "at the end of two weeks after the notice is received by the Union" not "the date it is received by the Union" as stated in the operating report.

"The member must be financial to this date and pay any outstanding arrears before a clearance can be issued"

There is no requirement for a member to be "financial" to either give notice of resignation or for that notice to take effect. Similarly, the Branch cannot make payment of "outstanding arrears" a condition of resignation or otherwise affect the operation of s174.

Section 176 of the RAO Schedule provides:

A person (the first person) must not provide information about resignation from an organisation to a member, or a person eligible to become a member, of the organisation if the person knows, or is reckless as to whether, the information is false or misleading.

Section 305(2)(j) of the RAO Schedule provides that s176 is a civil penalty provision.

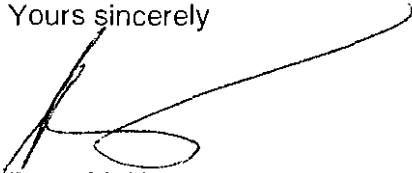
In these circumstances, the Branch should now consider whether the information it has provided members in its operating report and any other publications using this form of words is correct. It may wish to take the opportunity when next communicating with members to ensure that information on members' right to resign is correctly stated.

Number of members of Branch

The number stated in the operating report is 2227 while the number stated in the Accounting Officer's Certificate is 1496. Although the accounting officer's certificate is not required under the RAO Schedule, it would be appreciated if you could confirm that that the number cited in the operating report is correct.

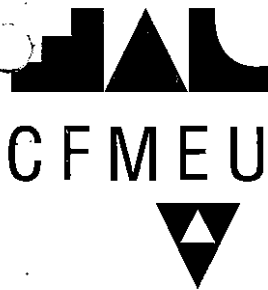
If the Branch or its auditor wishes to discuss any of these matters, please contact me on (02) 8374 6666.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter McKerrow', with a long, sweeping horizontal stroke extending to the right.

Peter McKerrow
for Deputy Industrial Registrar

20 May 2005



CONSTRUCTION

FORESTRY

MINING

ENERGY

UNION

20 July, 2005

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

Att: Mr. P. McKerrow.



Dear Sir,

**ACT Divisional Branch
Financial Return for the Year ended 31st December 2004
(FR 2004/669)**

We refer to your letter dated 20 May, 2005 regarding the abovementioned report. In relation to the matters raised by the Deputy Industrial Registrar and in accordance with advice from the Divisional Branch after having consulted with its auditor, the following response is provided for your consideration:

JOHN SUTTON
National Secretary

FEDERAL OFFICE
LEVEL 2
15 WENTWORTH AVENUE
SYDNEY NSW 2000

PO BOX Q235
QUEEN VICTORIA BLDG
POST OFFICE
SYDNEY NSW 1230

PH: (02) 9267 7644
FAX: (02) 9267 8863
WEB:

www.cfmeu.asn.au/construction

General Purpose Financial Report (GPFR)

Notes to Financial Statements

Note 1:

Note 1 to the financial statements was inadvertently omitted from the GPFR provided to members.

A copy of Note 1 is attached hereto and will be published in the next CFMEU ACT Branch Journal.

Note 17:

Paragraph 8(a) is not relevant to this amount.

The “*expenses which are paid from other sources*” and which are “*paid for and on behalf of the Union*” are not from another reporting unit of the organisation.

Note 7:

The Branch will prepare a Section 237 Statement and lodge it as soon as practicable and will be seeking an extension of time for lodgement.

Compilation Report

It is possible that the Branch may have not fully addressed its obligations under the Guidelines to disclose the expenditure on:

- affiliation fees;
- capitation fees; and,
- travelling expenses

in the GPFR.

However, the Detailed Statement of Income and Expenditure, whilst not required to be included in the GPFR, was provided as additional information for all members in order that they have a full picture of the operations of the Branch. It contains much more information about the operations of the Branch than required in the GPFR. Whilst this statement was not audited, it was derived from the audited books and records, and subject to the same internal controls applied to the preparation of all financial statements.

Having regard to this we would be pleased to receive any further comment on this issue which the Registry might wish to make.

Other Matters

Notice required by s 272(5) of the RAO Schedule:

It is acknowledged that the s 272(5) notice was not included in the GPFR and the Branch will ensure that it is included in future GPFRs.

Committee of Management Statement:

It is acknowledged that the Committee is required to express its opinion on whether it has kept "as far as practicable" its financial records consistently with other CFMEU reporting units, and that this opinion was not expressed in the Committee of Management Statement included in the GPFR. The Branch will ensure that such an opinion is expressed in the future.

Operating Report:

The Branch's rules regarding members' resignation reflect s 174 of Schedule 1B of the *Workplace Relations Act 1996*. The Operating Report attempted to summarise the provisions which are set out below. A member may resign from membership of the Branch in accordance with section 174 of Schedule 1B of the *Workplace Relations Act 1996*. An extract of s 174 follows:

(1) A member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

(2) A notice of resignation from membership of an organisation takes effect:

(a) where the member ceases to be eligible to become a member of the organisation:

(i) on the day on which the notice is received by the organisation; or

(ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is later; or

(b) in any other case:

(i) at the end of 2 weeks, or such shorter period as is specified in the rules of the organisation, after the notice is received by the organisation; or

(ii) on the day specified in the notice;

whichever is later.

(3) Any dues payable but not paid by a former member of an organisation, in relation to a period before the member's resignation from the organisation took effect, may be sued for and recovered in the name of the organisation, in a court of competent jurisdiction, as a debt due to the organisation.

(4) A notice delivered to the person mentioned in subsection (1) is taken to have

been received by the organisation when it was delivered.

(5) A notice of resignation that has been received by the organisation is not invalid because it was not addressed and delivered in accordance with subsection (1).

(6) A resignation from membership of an organisation is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the organisation that the resignation has been accepted.

The Branch will include a full explanation of the members' right to resign as prescribed by the Act in the next newsletter sent to all members.

Number of members:

The number of members stated in the Operating Report is incorrect. The number of members (1,496) stated in the Accounting Officer's Certificate is correct.

Should you require any additional information or explanation please contact this office.

Yours faithfully,



T. Roberts
Senior National Legal Officer
Construction & General Division

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

1. ACCOUNTING POLICIES

The financial statements of the Branch have been drawn up in accordance with the accounting standards and disclosure requirements of the Australian accounting bodies, applicable Approved Accounting Standards. They have been prepared on the basis of historical costs and do not take into account changing money values nor, except where stated, current valuations of non-current assets. Except where stated the accounting policies have been consistently applied.

Set out below is a summary of the significant accounting policies adopted by the Union in the preparation of the financial statements.

(a) Income Tax

The Union is exempt from income tax and therefore does not adopt the liability method of tax effect accounting.

(b) Fixed Assets

Fixed Assets Acquired:

Fixed assets are capitalised at historical cost and depreciated as outlined below.

Depreciation

Fixed assets are depreciated over their useful lives. They are first depreciated in the year of acquisition. The diminishing value method of depreciation is used unless an alternative method is considered more appropriate at the time of acquisition.

Buildings are depreciated in accordance with Accounting Standard AAS 4.

(c) Provisions

Employee Entitlements

The provisions relate to annual leave, long service leave and rostered days off and have been calculated on the basis of pro-rata entitlement under appropriate awards on current wages.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION - ACT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

1. ACCOUNTING POLICIES (Continued)

(d) Superannuation Fund

The Union contributes to an employee superannuation fund. Such Union contributions are charged against income.

(e) Information to be provided to Members or Registrar

In accordance with the requirements of the *Workplace Relations Act 1996*, as amended, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 274 which reads 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 to 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 a member of the organisation concerned; and the Registrar shall provide to a member information received because of an application made at the request of the member.

(f) Investment Property

Investment property consists of a readily realisable investment interest in land and buildings held for the purpose of letting to produce rental income. The carrying value of the investment property is assessed regularly to determine whether any property should be written down to its current value.

(g) Basis of Accounting

Dues income is accounted for on a cash basis in accordance with the provisions of the *Workplace Relations Act 1996*. All other income and expenses are accounted for on an accrual basis.



Australian Government
Australian Industrial Registry

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

Mr Tom Roberts
National Legal Officer
Construction Forestry Mining and Energy Union
Construction & General Division
PO Box Q235
QUEEN VICTORIA BUILDING NSW 1230

Dear Mr Roberts

ACT Divisional Branch - financial return year ending 31 December 2004 (FR2004/669)

I refer to your letter of 20 July 2005 in answer to the Registry's letter of 20 May 2005.

I note the Branch is arranging to:

- publish the omitted Note 1 in the Branch Journal
- lodge a s237 Statement
- provide a full explanation of members' right to resign in its next newsletter to members.

I also note that the correct figure for the number of members of the Branch is 1,496 and that it will also ensure the other matters referred to in the Registry's letter are addressed in future financial reports.

Compilation Report

I note the Branch's comments and that the purpose of the "additional information" was to better inform members of the Branch operations. Despite this, the RAO Schedule requires that the information be disclosed in the general purpose financial report as the Guidelines provide. The relevant provision of the Schedule is s253(2)(b)(ii) which requires information specified in the Guidelines to be included in the GPFR.

The information disclosed is then subject to examination and report in the auditor's report on the GPFR.

Having regard to your comments the Registry will accept that the members have been given information on the matters referred to in the Guidelines in the 2004 report. The Branch should however, make arrangements to prepare a GFPR next year which meets the RAO requirements and discloses the matters referred to in the Guidelines in the GPFR.

The financial documents have been filed and are available for viewing on our website.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter McKerrow', written over a horizontal line.

Peter McKerrow
for Deputy Industrial Registrar

8 August 2005