



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: FR2005/556

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, 2005

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*.

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.

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: **FR2005/550**.

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 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
23 January 2006

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:

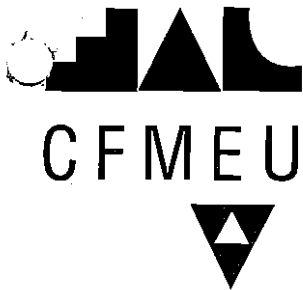
¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(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

22nd June, 2006

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

Dear Sir/Madam,

Re: Financial Returns

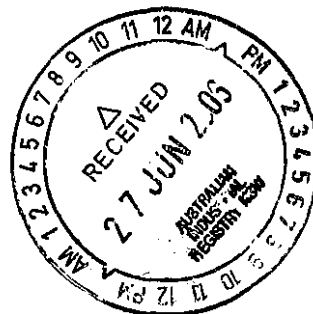
Please find enclosed herewith the financial returns of the Construction Forestry Mining and Energy Union, Construction & General Division, A C T Divisional Branch, for the year ending 31st December, 2005.

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 12
276 PITT STREET
SYDNEY NSW 2000

PO BOX Q235
QUEEN VICTORIA BLDG
POST OFFICE
SYDNEY NSW 1230

PH: (02) 8524 5800
FAX: (02) 8524 5801
WEB:

www.cfmeu.asn.au/construction

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

ABN 38 491 952 173


**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2005**

CERTIFICATE OF SECRETARY

I, George Wason being the Branch Secretary of the Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- that the full report was provided to members on 13 April 2006; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 13th June 2006, in accordance with section 266 of the RAO Schedule.

Dated at Canberra this 13th day of June 2006.



George Wason
Branch Secretary
CFMEU
Construction and General Division
ACT Branch

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

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 2005 of \$413,377 (2004: Deficit \$262,372). The deficit was a result of a decrease in revenue received from operations and an increase in employee benefits expenses.

Significant changes

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

Members rights to resign

A member must provide notice in writing regarding resignation, which is required to be delivered to the Secretary. The resignation takes effect two weeks after the notice is received by the Union or the date nominated by the member – whichever is the latest.

Officers as Trustees

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

Prescribed Information

- (a) the number of persons that were, at 31st December 2005, 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 1,516;
- (b) the number of persons who were, at 31st December 2005, 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;

OPERATING REPORT

Prescribed Information (continued)

- (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 2005, and the period for which he or she held such a position is:

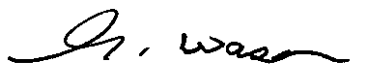
<u>Name</u>	<u>Period</u>
George Wason	Full year
Sarah Schoonwater	Full year
Glenn Parry	Full year
Les Lanscar	Full year
Phil Johnstone	Full year
Rod Driver	Full year
Wayne Wilson	Full year
Allan Dillon	Full year
Rob Martin	Full year
Max Harmer	Full year
Dave MacGregor	Full year
Jason O'Mara	Full year
Ricky Kimberly	Full year
Mark Dymock	Full year
Jack Broaderick	Full year

Other Information

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

For and on behalf of the Committee of Management:

Dated at Canberra, ACT this 21st day of March 2006.



George Wason



Rob Martin

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**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 2005 the number of members of the Branch was 1,516 and that in relation to the 2005 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 March 2006.



George Wason



WALTERTURNBULL
your extra asset

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF THE CONSTRUCTION FORESTRY
MINING AND ENERGY UNION CONSTRUCTION AND
GENERAL DIVISION – ACT BRANCH**

WalterTurnbull Building
44 Sydney Avenue
Barton ACT 2600
GPO Box 1955
Canberra ACT 2601
Tel 02 6247 6200
Fax 02 6257 6655
www.walturn.com.au
walterturnbull@walturn.com.au
A division of
WalterTurnbull Pty Ltd
ABN 97 099 740 879

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2005 there have been:

- (i) no contraventions of the auditor independence requirements as in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

BUSINESS ADVISORY SERVICES

ASSURANCE SERVICES

MANAGEMENT CONSULTING

FINANCIAL PLANNING

INSOLVENCY SERVICES

ACCOUNTING SOLUTIONS

Peter Sheville
Registered Company Auditor
44 Sydney Avenue,
BARTON,
CANBERRA
ACT

21 March 2006





WALTERTURNBULL
your extra asset

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BUSINESS ADVISORY SERVICES

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ACCOUNTING SOLUTIONS

**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF THE CONSTRUCTION FORESTRY MINING AND
ENERGY UNION CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH
Scope**

The financial report comprises the income statement, balance sheet, statement of changes in equity, statement of cash flows, accompanying notes to the financial statements, and the Committee of Management statement for the Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch (the Union), for the year ended 31 December 2005.

The Committee of Management of the Union are responsible for the preparation and true and fair presentation of the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the Union. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Union's financial position, and of its performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

We declare to the best of our knowledge and belief that the auditor's independence declaration set out on page 5 of the financial report has not changed as at the date of providing our audit opinion.



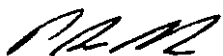
Qualification

While our firm audited the Union financial statements for the year ended 31 December 2005, we did not audit the Union financial statements for the year ended 31 December 2004. Accordingly we are unable to and do not express an opinion on the opening balances for the Union for the year ended 31 December 2005.

Audit Opinion

In our opinion, except for the effects on the financial report of the matter referred to in the qualification paragraph,

- (a) the financial report of the Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch is in accordance with:
 - i) applicable accounting standards;
 - ii) other mandatory professional reporting requirements in Australia;
 - iii) other requirements imposed by Schedule 1B, Chapter 8 of the *Workplace Relations Act 1996*; and
 - iv) the financial position of the reporting unit as at 31 December 2005, and the results of its operations and cash flows for the year 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 matter 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 reporting unit were provided.



Peter Sheville
Registered Company Auditor
44 Sydney Avenue,
BARTON,
CANBERRA
ACT

21 March 2006

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

COMMITTEE OF MANAGEMENT STATEMENT

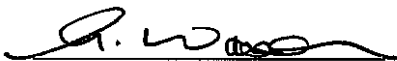
On the 21 March 2006 the Committee of Management of the Construction Forestry Mining and Energy Union, Construction and General Division – ACT Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2005:


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 income and expenses, balance sheet, changes in equity 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 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 the 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 the branch concerned;
 - iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations;
 - iv) the branch has kept the financial records consistently as with other reporting units of the organisation, as far as practical;
 - 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 sought in any request of a member of the reporting unit or a Registrar under section 272 of the RAO Schedule during the period.

For Committee of Management:

Dated at Canberra this 21st day of March 2006.


George Wason


Rob Martin

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	2005 \$	2004 \$
Revenue from ordinary activities	3	1,299,198	1,558,609
Depreciation and amortisation expense	4	(84,800)	(85,322)
Employee benefits expense	4	(1,193,280)	(1,052,211)
Administrative expense		(492,694)	(683,448)
Investment income from associates		58,199	-
Net (loss) from ordinary activities attributable to members of the Union		<u>(413,377)</u>	<u>(262,372)</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**BALANCE SHEET
AS AT 31 DECEMBER 2005**

	Note	2005 \$	2004 \$
CURRENT ASSETS			
Cash and cash equivalents	6	419,180	573,413
Receivables	7	18,714	2,288
Others	8	4,147	-
TOTAL CURRENT ASSETS		<u>442,041</u>	<u>575,701</u>
NON-CURRENT ASSETS			
Receivables	7	331,865	280,713
Investments in associates using equity method	9	1,217,786	-
Investments	11	705,031	2,158,737
Property, plant and equipment	12	222,161	160,466
TOTAL NON-CURRENT ASSETS		<u>2,476,843</u>	<u>2,599,916</u>
TOTAL ASSETS		<u>2,918,884</u>	<u>3,175,617</u>
CURRENT LIABILITIES			
Payables	13	72,403	42,442
Provisions	14	283,342	175,110
Others		6,525	-
TOTAL CURRENT LIABILITIES		<u>362,270</u>	<u>217,552</u>
NON-CURRENT LIABILITIES			
Provisions	14	104,388	92,461
TOTAL NON-CURRENT LIABILITIES		<u>104,388</u>	<u>92,461</u>
TOTAL LIABILITIES		<u>466,658</u>	<u>310,013</u>
NET ASSETS		<u>2,452,226</u>	<u>2,865,604</u>
EQUITY			
Retained profits		<u>2,452,226</u>	<u>2,865,604</u>
TOTAL EQUITY		<u>2,452,226</u>	<u>2,865,604</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2005**

	Retained Earnings \$	Total \$
Balance at 1 January 2004	3,127,975	3,127,975
Loss attributable to the entity	<u>(262,372)</u>	<u>(262,372)</u>
Sub-total	<u>(262,372)</u>	<u>(262,372)</u>
Balance at 31 December 2004	<u>2,865,603</u>	<u>2,865,603</u>
Loss attributable to the entity	<u>(413,377)</u>	<u>(413,377)</u>
Sub-total	<u>(413,377)</u>	<u>(413,377)</u>
Balance at 31 December 2005	<u>2,452,226</u>	<u>2,452,226</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	2005 \$	2004 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from members' subscriptions		976,560	1,155,615
Cash payments to suppliers and employees		(1,491,335)	(1,366,767)
Interest received		13,306	11,567
Rent received		162,711	173,305
Donations received		250,000	229,000
Payment of affiliation fees, capitation fees and dispute levies		<u>(37,824)</u>	<u>(58,310)</u>
Net cash provided by operating activities	15	<u>(126,582)</u>	<u>144,410</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(165,805)	-
Proceeds from Unit Trust Investments		139,306	119,000
Loans provided to associated parties		(51,152)	-
Proceeds from associated party loans		-	47,292
Proceeds from disposal of fixed assets		<u>50,000</u>	<u>6,364</u>
Net cash (used in) investing activities		<u>(27,651)</u>	<u>172,656</u>
Net (decrease)/increase in cash held		(154,233)	317,066
Cash at beginning of the financial year		<u>573,413</u>	<u>256,347</u>
Cash at the end of the financial year	6	<u>419,180</u>	<u>573,413</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH**
ABN 38 491 952 173

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Schedule 1B of the *Workplace Relations Act 1996*.

The financial report covers the Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch (the Union) as an individual entity. The Union is an unincorporated entity.

The following is a summary of material accounting policies adopted in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

First –time Adoption of Australian Equivalents to International Financial Reporting Standards

The Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from 1 January 2005.

In accordance with the requirement of AASB 1: First-time Adoption of Australian equivalents to International Financial Reporting Standards, adjustments to the Union accounts resulting from the introduction of IFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These consolidated accounts are the first financial statements of the Union to be prepared in accordance with Australian equivalents to IFRS.

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has 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.

Accounting Policies

a) Income Tax

The Union is exempt from income tax under the provisions of Section 50-5 of the *Income Tax Assessment Act 1997*.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Property

Leasehold buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increase of the same asset are charged against fair value reserves directly in equity, all other decrease are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful economic lives commencing from the time the asset is held ready for use.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Property, Plant and Equipment (cont'd)

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

<i>Class of asset</i>	<i>Depreciation rate</i>
Motor vehicles	22.5%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Gain and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

c) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transactions 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 AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated hedges. Realised and unrealised gains or losses arising from changes in the fair value of these assets are included in the income statement in the period in 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.

Impairment

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Impairment of Assets

At each reporting date, the Union reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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

e) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the Union's share of post acquisition reserves of its associates.

Associated entities are those that the Committee of Management have determined that the Union has significant influence, but not controlling interest, by means of the level of equity held and the relationship to the Union and the Committee of Management members. This is the first year adoption of AASB 128 Investments in Associates by the Union. As a result no comparative information is provided.

f) Employee Benefits

Provision is made for the entities liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount, plus any related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

g) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Revenue

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

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

j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

k) Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

l) Critical accounting estimates and judgements

The Committee 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 entity.

Key estimates – impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the group 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 is assessing recoverable amounts incorporate a number of key estimates.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

**NOTE 2 – FIRST TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS**

In accordance with AASB1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards an entity is required to explain how the transition from previous GAAP to Australian equivalents to IFRS affected its reported financial position, financial performance and cash flows.

No adjustments were required in relation to the College's adoption of Australian Equivalents to IFRS and so no reconciliation has been provided.

	2005	2004
	\$	\$
NOTE 3 - REVENUE		
Operating activities:		
Membership subscriptions	623,106	613,841
Rent received	147,919	173,305
Donations received	250,000	229,000
Investment income – Profits from Unit Trust	-	101,684
Contributions received	94,628	300,848
Training income	83,501	72,675
Sundry income	86,227	54,972
Counter sales	511	717
	<u>1,285,892</u>	<u>1,547,042</u>
Non-operating activities:		
Interest	<u>13,306</u>	<u>11,567</u>
Total Revenue	<u><u>1,299,198</u></u>	<u><u>1,558,609</u></u>

NOTE 4 - PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

(a) Expenses

Depreciation of property, plant and equipment	48,325	48,847
Amortisation of buildings	<u>36,475</u>	<u>36,475</u>
	84,800	85,322
Employee Benefits		
- salaries and wages - office holders	416,906	316,665
- salaries and wages - employees	559,482	597,430
- employee entitlements – annual leave	29,720	24,772
- employee entitlements – long service leave	61,909	6,127
- employee entitlements – rostered days off	28,529	10,358
- superannuation	<u>96,734</u>	<u>96,859</u>
	1,193,280	1,052,211

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005 \$	2004 \$
NOTE 4 - PROFIT FROM ORDINARY ACTIVITIES (continued)		
Donations paid or payable	100	1,000
Loss on disposal of assets	5,785	5,940
Affiliation fees	15,173	12,354
Capitation fees	50,948	45,956
Travelling expenses	35,176	22,324

NOTE 5 – REMUNERATION OF AUDITOR

Total amounts received and receivable by the auditors of the Union for:

Audit of the Union's financial report	12,800	9,600
Other services	2,750	-
	<u>15,550</u>	<u>9,600</u>

NOTE 6 – CASH AND CASH EQUIVALENTS

Cash on hand	2,400	1,458
Cash at bank	416,780	571,955
	<u>419,180</u>	<u>573,413</u>

The effective interest rate on cash at bank was 3.4%
(2004: 4.5%)

Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash assets and cash equivalents	<u>419,180</u>	<u>573,413</u>
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**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005 \$	2004 \$
NOTE 7 - RECEIVABLES		
CURRENT		
Accounts receivable	<u>18,714</u>	<u>2,288</u>
NON-CURRENT		
Loans - CTUC	<u>331,865</u>	<u>280,713</u>

NOTE 8 – OTHER ASSETS

CURRENT		
Prepayments	<u>4,147</u>	<u>-</u>

NOTE 9 – INVESTMENTS IN ASSOCIATES USING THE EQUITY METHOD

Raymel Holdings Pty Limited (Note 10)	911,008	-
Melphomene Pty Limited (Note10)	(4,093)	-
Wilpeema Pty Limited (Note 10)	<u>310,871</u>	<u>-</u>
	<u>1,217,786</u>	<u>-</u>

NOTE 10 – ASSOCIATED COMPANIES

Associate: Raymel Holdings Pty Limited
Principal Activity: Property
Ownership interest : 50%
Balance date: 30 June 2005

**(a) Movements during the year in equity
accounted investment in associated
company**

Balance at the beginning of the financial year:	-
Value of investment brought forward	987,338
Disposal of investments	-
Share of associated entities profit	52,670
Contributions to property trust	-
Drawings from property trust	<u>(129,000)</u>
Balance at the end of the financial year	<u>911,008</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

**2005
\$**

NOTE 10 – ASSOCIATED COMPANIES (continued)

**(b) Equity Accounted Associate Profits are
broken down as follows:**

Share of associate's profit from ordinary activities before income tax expense	52,670
Share of associate's income tax expense	-
Share of associate's profit from ordinary activities after income tax	<u>52,670</u>

**(c) Summarised presentation of Assets,
Liabilities and Performance of Associate**

Current Assets	45,023
Non-current Assets	<u>2,338,583</u>
Total Assets	<u>2,383,606</u>
Current Liabilities	6,807
Non-current Liabilities	<u>400</u>
Total Liabilities	<u>7,207</u>
Net Assets	<u>2,376,399</u>
Net profit from ordinary activities	<u>105,340</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

**2005
\$**

NOTE 10 – ASSOCIATED COMPANIES (continued)

Associate: Melphomene Pty Limited
Principal Activity: Property (Cypress Court)
Ownership interest : 10%
Balance date: 30 June 2005

**(a) Movements during the year in equity
accounted investment in associated
company**

Balance at the beginning of the financial year:	-
Value of investment brought forward	115,879
Share of accumulated losses brought forward	(132,464)
Share of associated entities profit	12,492
Contributions to property trust	-
Drawings from property trust	-
	<hr/>
Balance at the end of the financial year	<u>(4,093)</u>

The Union has significant influence over the trustee company due to common directorship of the Union and the trustee company.

**(b) Equity Accounted Associate Profits are
broken down as follows:**

Share of associate's profit from ordinary activities before income tax expense	12,492
Share of associate's income tax expense	<hr/> -
Share of associate's profit from ordinary activities after income tax	<u>12,492</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

2005
\$

NOTE 10 – ASSOCIATED COMPANIES (continued)

**(c) Summarised presentation of Assets,
Liabilities and Performance of Associate**

Current Assets	40,407
Non-current Assets	<u>3,188,885</u>
 Total Assets	 <u>3,229,292</u>
 Current Liabilities	 71,487
Non-current Liabilities	<u>1,540,173</u>
 Total Liabilities	 <u>1,611,660</u>
 Net Assets	 <u>1,617,632</u>
 Net profit/(loss) from ordinary activities	 <u>124,917</u>

Associate: Wilpeema Pty Limited
Principal Activity: Property (Marcus Clark)
Ownership interest : 10%
Balance date: 30 June 2005

**(a) Movements during the year in equity
accounted investment in associated
company**

Balance at the beginning of the financial year:	<u>-</u>
Value of investment brought forward	310,306
Disposal of investments	-
Share of associated entities profit	10,871
Contributions to property trust	-
Drawings from property trust	<u>(10,306)</u>
 Balance at the end of the financial year	 <u>310,871</u>

The Union has significant influence over the trustee company due to common directorship of the Union and the trustee company.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

**2005
\$**

NOTE 10 – ASSOCIATED COMPANIES (continued)

**(b) Equity Accounted Associate Profits are
broken down as follows:**

Share of associate's profit from ordinary activities before income tax expense	10,871
Share of associate's income tax expense	<u>-</u>
Share of associate's profit from ordinary activities after income tax	<u>10,871</u>

**(c) Summarised presentation of Assets,
Liabilities and Performance of Associate**

Current Assets	88,466
Non-current Assets	<u>9,965,420</u>
Total Assets	<u>10,053,886</u>
Current Liabilities	907,332
Non-current Liabilities	<u>6,025,913</u>
Total Liabilities	<u>6,933,245</u>
Net Assets	<u>3,120,641</u>
Net profit/(loss) from ordinary activities	<u>108,708</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005 \$	2004 \$
NOTE 11 – INVESTMENTS		
Investment properties – at cost	1,187,297	1,187,297
Improvements	96,685	96,685
Accumulated amortisation	<u>(578,951)</u>	<u>(542,476)</u>
	705,031	741,506
Investment in property trusts (Note 1e)	<u>-</u>	<u>1,417,231</u>
	<u>705,031</u>	<u>2,158,737</u>

NOTE 12 - PROPERTY, PLANT AND EQUIPMENT

Motor vehicles - at cost	336,141	275,603
Less accumulated depreciation	<u>(113,980)</u>	<u>(115,137)</u>
	<u>222,161</u>	<u>160,466</u>
Total Property, Plant and Equipment	<u>222,161</u>	<u>160,466</u>

Movements in carrying amounts

Movement in the carrying amounts for property, plant and equipment between the beginning and the end of the current financial year.

	Motor Vehicles	Total \$
Balance at the beginning of the period	160,466	160,466
Additions	165,805	165,805
Disposals	(55,785)	(55,785)
Depreciation expense	<u>(48,325)</u>	<u>(48,325)</u>
Carrying amount at the end of the period	<u>222,161</u>	<u>222,161</u>

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005	2004
	\$	\$
NOTE 13 - PAYABLES		
CURRENT		
Trade creditors	6,961	22,818
Accrued expenses	28,432	8,200
Sundry creditors	37,010	11,424
	<u>72,403</u>	<u>42,442</u>

NOTE 15 - PROVISIONS

	Employee Entitlements	Total
	\$	\$
Opening balance at 1 January 2005	267,571	267,571
Additional provisions raised during year	266,865	266,805
Amounts used	(146,706)	(146,706)
Balance at 31 December 2005	<u>387,730</u>	<u>387,730</u>
	2005	2004
	\$	\$
Current	283,342	175,110
Non-Current	104,388	92,461
	<u>387,730</u>	<u>267,571</u>

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual, long service leave and rostered days off. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The recognition criteria for employee benefits has been included in note 1.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005 \$	2004 \$
NOTE 15 - CASH FLOW INFORMATION		
(a) Reconciliation of Cash Flows from Operations with Profit from Ordinary Activities		
Deficit from ordinary activities	(413,377)	(262,372)
Non-cash flows in profit from ordinary activities:		
Depreciation and amortisation	84,800	85,322
Diminution in value of investments	118,337	368,269
Loss on sale of plant and equipment	5,785	5,940
Profit from investments	(58,199)	(101,684)
Transfers to provisions	120,159	41,257
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(16,426)	6,045
(Increase) in other assets	(4,147)	-
Increase in payables	29,961	1,633
Increase in other liabilities	6,525	-
Cash flows from operations	<u>(126,582)</u>	<u>144,410</u>

(b) Non-cash Financing and Investing Activities

There were no non-cash financing or investing activities during the period.

(c) Credit Stand by Arrangement and Loan Facilities

The Union has no credit stand-by or financing facilities in place.

NOTE 16 – EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events after the balance sheet date.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

**2005
\$**

NOTE 17 – RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Sitting fees for Office Holders

C+Buss Superannuation	43,740
Australian Super Developments	60,608
Regent Theatre and Hotel Trust	2,000
Canberra Partnership Board	10,082
ACIRT	12,559
Training Fund Board	<u>1,620</u>
	<u>130,609</u>

(b) Loans to member of the committee of management

Various loans to Glenn Parry totalling \$4,541.84 during 2005 were made by the CFMEU. The balance outstanding at 31 December 2005 was \$251.84.

NOTE 18 – ECONOMIC DEPENDENCY

The continuing operation of the Union is dependent upon the ongoing payment of expenses by the Canberra Tradesmen Union Club. The value of expenses paid for on behalf of the Union for the year ended 31 December 2005 is \$340,573.

NOTE 19 - FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The financial instruments consist mainly of deposits with bank, short term investments, accounts receivable and accounts payable.

Financial Risks

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

Interest rate risk

Interest rate risk is managed with fixed rates. For further details on interest rate risk refer to Note 15(b).

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 19 - FINANCIAL INSTRUMENTS (continued)

(a) Financial Risk Management (continued)

Liquidity Risk

The Union manages liquidity risk by monitoring forecast cash flows.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the income statement and notes to the financial statements.

The Union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the economic entity.

(c) Interest Rate Risk

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non Interest Bearing		Total	
	2005	2004	2005	2004	2005	2004	2005	2004
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash	3.4	4.5	416,780	571,955	2,400	1,458	419,180	573,413
Accounts Receivable	-	-	-	-	350,579	283,001	350,579	283,001
Prepayments	-	-	-	-	4,147	-	4,147	-
Total Financial Assets			416,780	571,955	357,126	284,459	773,906	856,414
Financial Liabilities								
Payables	-	-	-	-	72,403	42,442	72,403	42,442
Total Financial Liabilities			-	-	72,403	42,442	72,403	42,442

(d) Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

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

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

NOTE 20 - CONTINGENT LIABILITIES

As at balance date the Union has no known contingent liabilities.

NOTE 21 - CAPITAL COMMITMENTS

As at the balance date the Union has no known capital commitments.

NOTE 22 – SEGMENT REPORTING

The Union operates predominantly in one industry and geographical segment, being in the trade union sector throughout Australia.

NOTE 23 – UNION DETAILS

The registered office of the union is:

2 Badham Street
Dickson ACT 2602



WALTERTURNBULL
your extra asset

**DISCLAIMER OF OPINION
TO THE MEMBERS OF
CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – ACT BRANCH**

The additional financial data presented on pages 32 to 33 is in accordance with the books and records of Construction Forestry Mining and Energy Union Construction and General Division – ACT Branch which have been subjected to the auditing procedures applied in our audit of the Union for the year ended 31 December 2005.

It will be appreciated that our audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than the Union) in respect of such data, including any errors or omissions therein however caused.

Peter Sheville
Registered Company Auditor
WalterTurnbull

Canberra, ACT
21 March, 2006

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BUSINESS ADVISORY SERVICES

ASSURANCE SERVICES

MANAGEMENT CONSULTING

FINANCIAL PLANNING

INSOLVENCY SERVICES

ACCOUNTING SOLUTIONS



**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005	2004
	\$	\$
Revenue		
Donations	250,000	229,000
Interest received	13,306	11,567
Investment income from associates	58,199	-
Investment income – profits from Unit Trust	-	101,684
Membership fees	623,106	613,841
Rents received	147,919	173,305
Sundry income	86,227	54,972
Contributions received	94,628	300,848
Training income	83,501	72,675
Counter sales	511	717
	<hr/>	<hr/>
Total Revenue	1,357,397	1,558,609
Expenditure		
Affiliation Fees	15,173	12,354
Amortisation	36,475	36,475
Audit and accounting fees	15,550	9,600
Bank Charges	3,951	3,823
Capitation Fees – National Office	50,958	45,956
Commissions Paid	7,350	6,443
Counter Sales Merchandise	630	10,123
Depreciation – Motor Vehicles	48,325	48,847
Donations	100	1,000
Fringe Benefits Tax	34,730	36,397
Insurance	7,985	11,330
Legal Costs	52	47
Loss on sale of non-current assets	5,785	5,940
Meeting Expenses	368	87
Memberships	17,783	20,640
Motor Vehicle Expenses	6,344	26,711
Payroll Tax	1,155	1,221
Postage, Printing and Stationery	6,181	2,453
Protective Clothing	588	3,936
Provision for Employee Entitlements	120,158	41,257
Provision for diminution of unit trust investment	58,184	368,269
Redundancy Contributions	34,764	41,695
Rent – Darwin	6,658	7,218
Rental Property Expenses	101,661	39,295

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION CONSTRUCTION
AND GENERAL DIVISION – ACT BRANCH
ABN 38 491 952 173**

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005	2004
	\$	\$
Salaries and Wages – Office Holders	416,906	316,665
Salaries and Wages – Employees	559,482	597,430
Subscriptions	(477)	317
Sundry Expenses	15,687	28
Superannuation Contributions	96,734	96,859
Telephone	12,085	6,400
Training	(837)	(159)
Travelling Expenses	35,176	22,324
Workers Compensation	30,899	-
Refunds on membership	1,755	-
Computer costs	1,380	-
Registration	17,503	-
Prizes	55	-
Repair and Maintenance	(45)	-
Office Expenses	(14)	-
Publication	140	-
Meals and Incidentals	3,437	-
	<hr/>	<hr/>
Total Expenditure	1,770,774	1,820,981
	<hr/>	<hr/>
Operating Profit / (Loss)	(413,377)	(262,372)



Australian Government
Australian Industrial Registry

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

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

Dear Mr Roberts

**Re: Lodgement of Financial Statements and Accounts – Construction and General
Division, Australian Capital Territory Branch – for year ending 31 December 2005
(FR2005/556)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 27 June 2006.

I note that the financial report did not contain any Recovery of Wages Activity report referred to in paragraph 16 of the amended Industrial Registrar's Guidelines applying to financial years commencing after 11 November 2004. Paragraph 16 provides:

Where the reporting unit has undertaken recovery of wages activity (and has derived revenues for the financial year in respect of such activity) the reporting unit must cause to be prepared for purposes of paragraph 253(2)(c) of the RAO Schedule a financial report in which is disclosed financial information associated with such activity.

Paragraphs 17-23 describe what such a report must contain, and paragraph 25(f) requires that the Committee of Management Statement contain various declarations in relation to such recovery wages activity.

On the basis of the documents lodged it appears there was no such wages activity in the financial year ending 31 December 2005. My purpose in drawing the above provisions to attention is so that if such activity occurs in future years, the Branch is made aware that it should be reported in accordance with these Guidelines.

The legislative requirements in respect of the above financial report having been met, the documents have been filed.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Kellett', followed by a horizontal line.

Stephen Kellett
for Deputy Industrial Registrar

2 August 2006