



**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: FR2004/673-[105N-BWIU]**

Mr John D Sutton  
Divisional Secretary  
CFMEU Construction & General Division  
PO Box Q235  
Queen Victoria Building  
SYDNEY NSW 1230

Dear Mr Sutton

**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'<sup>1</sup>). 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.

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<sup>1</sup> 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](http://www.airc.gov.au)). When lodging the financial return please quote: **FR2004/673**.

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](mailto:peter.mckerrow@air.gov.au) or [belinda.penna@air.gov.au](mailto: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](http://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

**TIMELINE/ PLANNER**

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

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

**Attachment B**

**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	✓
<b>1</b>	<b>General Purpose Financial Report</b>	
	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?	
<b>2</b>	<b>Committee of Management Statement</b>	
	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?	
<b>3</b>	<b>Auditor's Report</b>	
	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?	
<b>4</b>	<b>Operating Report</b>	
	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?	
<b>5</b>	<b>Concise report*</b>	
<b>6</b>	<b>Certificate of Secretary or other Authorised Officer</b>	
	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 Officer<sup>1</sup>**

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]<sup>2</sup>*, referred to in s268 of the RAO Schedule; and
- that the *[full report OR concise report]<sup>3</sup>*, 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]<sup>3</sup>* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

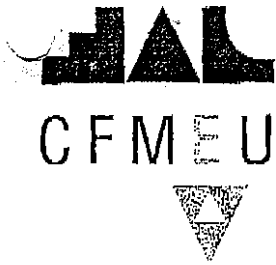
<sup>1</sup>RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:

(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.

<sup>2</sup>Only applicable where a concise report is provided to members

<sup>3</sup>Insert whichever is applicable



30 May 2005

CONSTRUCTION  
 FORESTRY  
 MINING  
 ENERGY  
 UNION

Deputy Industrial Registrar  
 80 William Street  
 EAST SYDNEY NSW 2010

Fax: (02) 8374 6666  
 9380-6990

Attn: Mr B Jenkins

Dear Sir

**Re: Section 265 RAO Schedule**

Pursuant to s265 (5) of Schedule 1B we hereby make application for a one month extension of time in which to provide the material referred to in s265 (1).

Yours faithfully

John Sutton  
 National Secretary  
 Construction & General Division

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.au/construction

**McKERROW, Peter**

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**From:** Linda Hockey [lhockey@fed.cfmeu.asn.au]  
**Sent:** Tuesday, 31 May 2005 2:27 PM  
**To:** Peter.mckerrow@air.gov.au  
**Subject:** FW: Section 265 RAO Schedule

Peter

Further to our discussion this morning I wish to advise that the following is the reason for request for one months extension in regard to the above matter on behalf of John Sutton CFMEU Construction and General Division and Trevor Melksham CFMEU Brick, Tile & Pottery Industry Divisional Branch.

If you need anything further please contact me.

'Because of unforeseen delays in the preparation of the material making up the draft accounts.'

**Linda Hockey**

CFMEU

Ph. (02) 9267 7644

Fax. (02) 9267 8863



**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 John Sutton  
National Secretary  
CFMEU Construction & General Division  
PO BOX Q235  
QVB SYDNEY NSW 1230

Dear Mr Sutton

**Financial Return for year ending 31 December 2004 (FR 2004/673)**

I refer to your letter of 30 May 2005 about an extension of time.

Before addressing your specific request, it may help if I first explain what power a Registrar has to extend time limits for reporting under sections 265 and 266 of the RAO Schedule.

This will depend on which of the following two reporting options a reporting unit chooses:

s265(5)(a) - presenting full report to members' meeting(s)

The reporting unit provides the full report (or a concise report) to members and after no less than 21 days, presents the full report to a general meeting of members. If you choose this option, the general meeting must be held within 6 months of the end of a financial year.

*Power to extend time*

Under s265(5), a reporting unit may apply to a Registrar to extend the period during which the general meeting must be held by no more than one month, namely from 6 months to no more than 7 months from the end of a financial year.

*Effect of Extending Time by one month*

The general meeting must be held with 7 months of the end of the financial year; the full or concise report must still be provided to members at least 21 days before the general meeting.

s265(5)(b) - presenting full report to committee of management meeting

The reporting unit provides the full report (or a concise report) to members and presents the full report to a meeting of its committee of management. If you choose this option, you must provide the report to members within 5 months of the end of the financial year. The committee of management meeting must be held within six months of the end of the financial year - see s265(1) and (3). This option is only available if the rules of your reporting unit provide for the matters specified in s266(3).

*Power to extend time*

Under s265(5), a reporting unit may apply to a Registrar to extend the period to provide the full or concise report to members by no more than one month, namely from 5 months to no more than 6 months from the end of the financial year.

*Effect of Extending Time by one month*

The full or concise report must be provided within 6 months of the end of the financial year and the committee of management meeting must be held within 7 months of the end of the financial year.

Making an application under s265(5)

If your reporting unit wishes to apply for an extension of time, its application should state clearly:

- whether it intends to present the full report to members' meeting or a committee of management meeting; and
- the period of extension it seeks; and
- provide reasons.

The application should be signed by an officer of the reporting unit.

Your correspondence

Could you please confirm which of the two methods of presentation the Division intends to adopt. I will consider it and advise you of my decision.

I have treated your application as lodged on 30 May 2005.

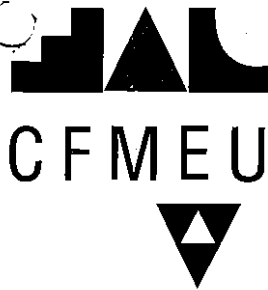
If you have any questions, please contact me or Peter McKerrow on (02) 8374 6666.

Yours sincerely



Barry Jenkins  
Deputy Industrial Registrar

23 June 2005



TR/nd.returns

**CONSTRUCTION**

**FORESTRY**

**MINING**

**ENERGY**

**UNION**

24th June, 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, National Office, 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**  
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15 WENTWORTH AVENUE  
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[www.cfmeu.asn.au/construction](http://www.cfmeu.asn.au/construction)



**Construction, Forestry, Mining and Energy Union**

**(Construction and General Division)**

**FOR THE YEAR ENDED 31 DECEMBER, 2004.**

**Schedule 1B *Workplace Relations Act 1996***

**Section 268**

**CERTIFICATE**

Pursuant to Section 268 of Schedule 1B the *Workplace Relations Act 1996*, I, John Sutton, certify that the documents attached hereto are copies of the documents presented to members of the above-named Division on 9 June, 2005 and presented to a presentation meeting being a meeting of the Divisional Executive on 24 June, 2005.



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Divisional Secretary  
CFMEU  
Construction & General Division

24 June 2005  
Date

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – NATIONAL OFFICE**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2004**

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## OPERATING REPORT

The Committee of Management of the CFMEU, Construction and General Division, National Office (The Union) present their Operating Report on the Union for the year ended 31 December 2004.

### *Committee of Management*

The names of Committee of Management in office at any time during the year are:

<b>Name</b>	<b>Position</b>	<b>Period of Appointment</b>
John Sutton	National Secretary	1/1/04 to 31/12/04
Chris Price	President	1/1/04 to 31/12/04
Albert Littler	Senior Vice President	1/1/04 to 31/12/04
Peter McLelland	Senior Vice President	1/1/04 to 31/12/04
Paul Waters	Senior Vice President	1/1/04 to 31/12/04
Lindsay Fraser	Assistant Secretary	1/1/04 to 31/12/04
Dave Noonan	Assistant Secretary	1/1/04 to 31/12/04
Peter Close	Vice President	1/1/04 to 31/12/04
Bill Oliver	Vice President	1/1/04 to 31/12/04
John Cummins	Vice President	1/1/04 to 31/12/04
Andrew Ferguson	COM Member	1/1/04 to 31/12/04
Brian Parker	COM Member	1/1/04 to 31/12/04
Barry Hemsworth	COM Member	1/1/04 to 31/12/04
Martin Kingham	COM Member	1/1/04 to 31/12/04
Wally Trohear	COM Member	1/1/04 to 31/12/04
Greg Simcoe	COM Member	1/1/04 to 31/12/04
Tony Benson	COM Member	1/1/04 to 31/12/04
Ben Carslake	COM Member	1/1/04 to 31/12/04
Martin O'Malley	COM Member	1/1/04 to 31/12/04
Kevin Reynolds	COM Member	1/1/04 to 31/12/04
Joe McDonald	COM Member	1/1/04 to 31/12/04
George Wason	COM Member	1/1/04 to 31/12/04
Trevor Melksham	COM Member	1/1/04 to 31/12/04
Glenn Parry	COM Member	1/1/04 to 31/12/04
Tom Watson	COM Member	1/1/04 to 31/12/04

### *Principal Activities*

The principal activities of the Union during the year were:-

- Implementation of Divisional Executive Decisions.
- Maintenance of Union Rules, Registrations and Affiliations.
- Organising Executive Meetings and Divisional Conferences as well as National Safety Officer Meetings.
- Conducting Activities for Parliamentary, Divisional and Divisional Branch elections, including assisting with statutory requirements.

## **OPERATING REPORT** (Continued)

### ***Principal Activities*** (Continued)

- Co-ordinating seminars / education courses for Branch Officers to inform them of current developments or to seek collective input in the development of national policies.
- Representing the Division's interest on various national committees and organisations.
- Co-ordinating the involvement of the Union in relevant international trade union bodies and conferences.
- Responsibility for servicing national awards and enterprise agreements and maintaining related information services. Divisional Office also advises Branches on industrial matters.
- Provision to Branches with economic and industrial research.
- Provision to Branches of assistance with administration and financial management.
- Provision to Branches of a National Library including information service / library through an electronic data base.
- Co-ordinating O H & S nationally and maintaining a national policy database and information service.
- Providing prime responsibility of initiating and leading the conduct of legal action launched in defense of the Division's constitutional work.
- Providing a National Computer Department to service each Branch and Divisional Office.
- Provision of National Publicity Services in respect of the national newspaper, safety newsletter and various brochures on industrial issues, media issues etc
- Provision of a National Training Agenda by representing the Union on various Boards and Committees.

### ***Results of Activities***

The result for the year was a small loss of \$4,149, (2003 was a surplus of \$1,794,914). During the 2003 year there were two significant once off revenue items being donations of \$505,100 and a FEDFA Integration receipt of \$843,637 both of which were disclosed in last years report. During the 2004 year the Union has paid donations totalling \$525,925 and also has written off the Tasmanian Branch loan of \$153,970.

### ***Significant Changes in Nature of Activities***

There were no significant changes in the nature of activities of the Union during the year.

### ***Significant Changes in Financial Affairs***

There were no significant changes in the financial affairs of the Union during the year. Since year end, the Union has acquired premises in Pitt Street Sydney and thus will soon move from the previous rented premises at Wentworth Street Sydney.

**OPERATING REPORT** (Continued)

***Membership of the Union***

There were 79,734 financial members of the Union as at 31 December 2004.

***Rights of Members to Resign***

All members of the Union have the right to resign in accordance with Rule 11 of the Union Rules (and section 174 of the RAO Schedule).

***Employees of the Union***

As at 31 December 2004 the Union employed 15 full time employees.

***Superannuation Trustees***

Mr John Sutton is the National Secretary of the Union and is a director of United Super Pty Ltd which acts as Trustee of C Bus. Mr Andrew Ferguson is a Committee of Management Member of the Union, and holds an alternate directorship (on behalf of Mr John Sutton) of United Super Pty Ltd which acts as Trustee of C Bus.

Mr Albert Littler is the Joint Divisional Senior Vice-President of the Union and is a director of United Super Pty Ltd which acts as Trustee of C Bus. Mr Martin Kingham is a Committee of Management Member of the Union, and holds an alternate directorship (on behalf of Mr Albert Littler) of United Super Pty Ltd which acts as Trustee of C Bus.

Mr George Wason is a Committee of Management Member of the Union and is a director of United Super Pty Ltd which acts as Trustee of C Bus. Mr Ben Carslake is a Committee of Management Member of the Union, and holds an alternate directorship (on behalf of Mr George Wason) of United Super Pty Ltd which acts as Trustee of C Bus.

Mr Wallace Trohear and Mr Gregory Simcoe are members of the Committee of Management of the Union and are directors of BUSS (Queensland) Pty Ltd which acts as Trustee of BUSS[Q].

No other officer or member of the Union acts:

- (i) as a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) as a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.



.....  
**JOHN SUTTON**

Signed this 1st day of June 2005.

## COMMITTEE OF MANAGEMENT STATEMENT

The Committee of Management of the Union, do state that in the opinion of the Committee, that:

- (i) The financial report and notes for the financial year ended 31 December 2004 comply with Australian Accounting Standards;
- (ii) The financial report and notes for the financial year ended 31 December 2004 comply with the reporting guidelines of the Industrial Registrar;
- (iii) The financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the year ended 31 December 2004;
- (iv) There are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- (v) During the financial year ended 31 December 2004 and since the end of the financial year:-
  - (i) Meetings of the Committee of Management were held in accordance with the rules of the Union; and
  - (ii) The financial affairs of the Union have been managed in accordance with the rules of the Union; and
  - (iii) The financial records of the Union have been kept and maintained in accordance with RAO Schedule and RAO Regulations; and
  - (iv) The financial records of the Union have been kept, as far as practicable, in a consistent manner to each other reporting unit of the organisation; and
  - (v) No information has been sought in any request of a member of the Union or a Registrar duly made under section 272 of the RAO Schedule; and
  - (vi) No orders have been made by the Commission, in regard to inspection of financial records under section 273 of the RAO Schedule during the year.

This Statement is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee of Management by:



.....  
**JOHN SUTTON**  
**NATIONAL SECRETARY**



.....  
**LINDSAY FRASER**  
**ASSISTANT SECRETARY**

Dated this 1st day of June, 2005.

## INDEPENDENT AUDIT REPORT TO THE MEMBERS

### SCOPE

We have audited the general purpose financial report comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Notes to the Financial Statements and Detailed Statement of Financial Performance of the Construction Forestry Mining and Energy Union – Construction and General Division, National Office ("the Union") for the year ended 31 December 2004 as set out on pages 6 to 18. The Union's Committee of Management are responsible for the preparation and presentation of the financial report and the information it contains. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Union.

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

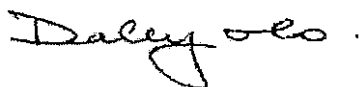
The audit opinion expressed in this report has been formed on the above basis.

### AUDIT OPINION

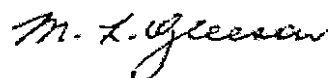
We have received all the information and explanations required for the purposes of our audit.

In our opinion, this general purpose financial report is in accordance with:

- (a) The Workplace Relations Act 1996, including:
  - (i) Giving a true and fair value of the Union's financial position as at 31 December 2004 and of its performance and cash flows for the year ended on that date; and
  - (ii) Complying with other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act.
- (b) Accounting Standards and other mandatory professional reporting requirements.



.....  
**DALEY & CO**  
Chartered Accountants  
98 Kembla Street  
Wollongong NSW 2500



.....  
**M L Gleeson**  
Registered Company Auditor

Dated this 1st day of June 2005.

The Liability of Daley & Co. is limited by, and to the extent of, the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW)

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	NOTE	2004 \$	2003 \$
<b>Revenue from Ordinary Activities</b>	2(a)	<u>4,009,855</u>	<u>5,382,159</u>
<b>Expenses from Ordinary Activities</b>			
Wages and Related Costs		1,188,494	1,090,155
Depreciation and Amortisation Expenses		84,507	59,747
Donations		525,925	6,784
Other Expenses		2,162,467	2,430,559
Written Down Value of Assets Sold		<u>52,611</u>	<u>-</u>
		<u>4,014,004</u>	<u>3,587,245</u>
<b>Net (Loss)/Profit Attributable to Members</b>		<u>(4,149)</u>	<u>1,794,914</u>

The accompanying notes form part of this financial report

**STATEMENT OF FINANCIAL POSITION  
 AS AT 31 DECEMBER 2004**

	NOTE	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash	3	463,434	374,611
Receivables	4	1,546,331	1,869,197
Investments	5	7,230,585	6,857,704
Other	6	32,168	18,284
<b>TOTAL CURRENT ASSETS</b>		<u>9,272,518</u>	<u>9,119,796</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	7	805,993	763,318
Other – Tasmanian Branch Loan		-	153,970
<b>TOTAL NON-CURRENT ASSETS</b>		<u>805,993</u>	<u>917,288</u>
<b>TOTAL ASSETS</b>		<u>10,078,511</u>	<u>10,037,084</u>
<b>CURRENT LIABILITIES</b>			
Accounts Payable	8	320,138	316,138
Provisions	9	559,567	524,390
Other	10	189,415	183,016
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,069,120</u>	<u>1,023,544</u>
<b>TOTAL LIABILITIES</b>		<u>1,069,120</u>	<u>1,023,544</u>
<b>NET ASSETS</b>		<u>9,009,391</u>	<u>9,013,540</u>
<b>ACCUMULATED FUNDS</b>			
Accumulated Members' Funds	12	<u>9,009,391</u>	<u>9,013,540</u>

The accompanying notes form part of this financial report

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

	NOTE	2004 \$	2003 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Membership Levies		3,916,458	2,892,538
Interest Received		391,336	543,944
Sundry Income		272,416	1,033,186
Payments to Suppliers and Employees		(4,056,760)	(3,837,172)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	15(b)	<u>523,450</u>	<u>632,496</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Property, Plant and Equipment		45,273	-
Net (Increase) / Decrease in Investments		(372,881)	(3,241,372)
Purchase of Property, Plant and Equipment		(113,418)	(133,885)
Advances to Trust (Scanrock P/L)		-	(36,000)
Proceeds from Trust (Scanrock P/L)		-	2,425,644
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(441,026)</u>	<u>(985,613)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Construction Training Fund Receipts		6,399	5,432
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		<u>6,399</u>	<u>5,432</u>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		88,823	(347,685)
<b>CASH AT THE START OF YEAR</b>		374,611	722,296
<b>CASH AT THE END OF YEAR</b>	15(a)	<u>463,434</u>	<u>374,611</u>

The accompanying notes form part of this financial report



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

### 1. STATEMENT OF ACCOUNTING POLICIES

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

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values, or except where stated, current valuations of non-current assets. Cost is based on fair values of the consideration given in exchange for assets. The accounting policies adopted have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report:

#### (a) PROPERTY, PLANT & EQUIPMENT

The Union has continued to apply the cost basis for measuring its fixed assets. Property, plant & equipment are measured on the cost basis. The carrying amount of property, plant and equipment is reviewed periodically to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

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

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal.

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	2%
Office Furniture and Fittings	10% - 20%
Computer Equipment	20% - 30%
Motor Vehicles	20%

#### CHANGE IN ACCOUNTING POLICY

During the year, the depreciation rate for motor vehicles was increased from 15%pa to 20%. The rate was increased to reflect a clearer assessment of the useful lives of motor vehicles. The impact of this change in depreciation rate is to increase the loss for the year by \$6,534 and reduce non-current assets by the same amount.

#### (b) INCOME TAX

No provision for income tax is necessary, as the Union (being a registered Industrial Trade Union) is exempt from tax under s.50-15 of the Income Tax Assessment Act.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**1. STATEMENT OF ACCOUNTING POLICIES**

(Continued)

(c) EMPLOYEE ENTITLEMENTS

Provision is made in respect of the Union's liability for annual leave, accrued redundancy leave and long service leave arising from services rendered by officers and employees to balance date. Long service leave is accrued in respect of all officers and employees from employment date. Related on-costs are included in these provisions.

Contributions are made to employee superannuation funds and are charged as expenses when incurred.

(d) ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS.

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The Committee of management along with its auditors are assessing these changes and preparing for their implementation. At this stage the Committee of Management considers that no key accounting policy changes will arise from the adoption of IFRS.

	NOTE	2004 \$	2003 \$
<b>2. OPERATING RESULT FROM ORDINARY ACTIVITIES</b>			
Result from ordinary activities is arrived at after taking into account:			
<b>(a) REVENUE:</b>			
<i>Operating Activities</i>			
Membership Levies		3,357,178	3,175,465
Interest Received		405,909	548,042
Computer Costs Reimbursed		19,719	3,189
Book "First the Verdict"		-	16,785
Distributions - Scanrock		-	181,265
Meetings & Conferences		23,635	28,295
Donations – Royal Commission		-	505,100
Attendance Fees		69,234	60,381
Wages Reimbursements		20,000	20,000
Sundry Income		2,532	-
		3,898,207	4,538,522
<i>Non-Operating Activities</i>			
FEDFA Integration		-	843,637
Proceeds from Sale of Assets		45,273	-
Writ Back of Provision for Diminution in Value	7(b)	66,375	-
		111,648	843,637
		4,009,855	5,382,159

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004

	NOTE	2004 \$	2003 \$
<b>2. OPERATING RESULT FROM ORDINARY ACTIVITIES</b>			
(Continued)			
<b>(b) EXPENSES</b>			
Depreciation of Non-Current Assets			
Buildings		10,000	10,000
Plant & Equipment		74,507	49,747
Total Depreciation		<u>84,507</u>	<u>59,747</u>
Movements in Employee Entitlements		35,177	103,348
Written - Down Value of Assets Sold		52,611	-
Loan Written Off – TAS Branch		153,970	-
Legal Expenses		90,296	203,162
Remuneration of Auditors			
- Auditing the Financial Report		9,500	9,300
- Other Services		10,077	7,489
		<u>19,577</u>	<u>16,789</u>
<b>3. CASH</b>			
Deposits at Call		105,930	161,214
Cash on Hand		1,500	1,500
Cash at Bank – Main Account		166,589	28,881
Cash at Bank - Other		189,415	183,016
		<u>463,434</u>	<u>374,611</u>
<b>4. RECEIVABLES</b>			
<b>Current</b>			
Debtors		144,108	272,796
Less: Provision for Doubtful Debts		-	-
		<u>144,108</u>	<u>272,796</u>
Interest Receivable		34,746	20,173
		<u>178,854</u>	<u>292,969</u>
Amounts due from Branches – Membership Levies	11	1,367,477	1,576,228
		<u>1,546,331</u>	<u>1,869,197</u>
<b>5. INVESTMENTS</b>			
<b>Current</b>			
Commercial Bank Bills *		<u>7,230,585</u>	<u>6,857,704</u>

\* Includes \$304,855 (2003 \$274,244) set aside to cover LSL, and Redundancy Liabilities.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	NOTE	2004 \$	2003 \$
<b>6. OTHER CURRENT ASSETS</b>			
Prepayments		<u>32,168</u>	<u>18,284</u>
<b>7. PROPERTY, PLANT &amp; EQUIPMENT</b>			
Land		<u>250,000</u>	<u>250,000</u>
Buildings		500,000	500,000
Less Accumulated Depreciation		<u>137,500</u>	<u>127,500</u>
		362,500	372,500
Less Provision for Diminution in Value - Note 7(b)		-	66,375
		<u>362,500</u>	<u>306,125</u>
<b>TOTAL LAND &amp; BUILDINGS</b>		<u>612,500</u>	<u>556,125</u>
Office Furniture and Equipment - At Cost		136,124	124,806
Less Accumulated Depreciation		<u>107,248</u>	<u>99,295</u>
		28,876	25,511
Computer Equipment - At Cost		157,327	148,805
Less Accumulated Depreciation		<u>86,442</u>	<u>47,180</u>
		70,885	101,625
Motor Vehicles - At Cost		117,994	104,415
Less Accumulated Depreciation		<u>24,262</u>	<u>24,358</u>
		93,732	80,057
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>		<u>805,993</u>	<u>763,318</u>

(a) Valuation of the land and buildings at 500 Swanston Street Carlton, Victoria was carried out on 15 December 2004 by independent valuers – Landmark White (VIC) Pty Ltd. The valuer was Mr Nicholas Diamantopoulos AAPI – Certified Practising Valuer. The basis of valuation was market value subject to vacant possession. Based on the National Office's 15.36% equity, the valuations are:-

	\$
Land	307,200
Buildings	<u>384,000</u>
	<u>691,200</u>

(b) As a consequence of the above valuation, the Provision for Diminution in value amounting to \$66,375 applicable to the above asset, is no longer required and thus is reversed in the 2004 year.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**7. PROPERTY, PLANT & EQUIPMENT**

**(c) Movements In Carrying Amounts**

Movements in the carrying amounts (written down values) for each class of property, plant and equipment between the start and end of the current financial year.

	LAND & BUILDINGS \$	FURNITURE, FITTINGS & EQUIPMENT \$	MOTOR VEHICLES \$	TOTAL \$
Balance at Start of Year	556,125	127,136	80,057	763,318
Additions	-	24,432	88,986	113,418
Disposals	-	-	(52,611)	(52,611)
Amort/Depreciation Expense	(10,000)	(51,807)	(22,700)	(84,507)
Prov'n for Diminution in Value	66,375	-	-	66,375
Balance at End of Year	<u>612,500</u>	<u>99,761</u>	<u>93,732</u>	<u>805,993</u>

**8. ACCOUNTS PAYABLE**

Payables – Legal Matters	38,047	47,046
Payables – Other	282,091	269,092
	<u>320,138</u>	<u>316,138</u>

**9. PROVISIONS**

Provision for Annual Leave	254,712	250,146
Provision for Long Service Leave	271,342	242,019
Provision for Redundancy	33,513	32,225
	<u>559,567</u>	<u>524,390</u>

**(a) Number of Employees at Balance Date**

<u>15</u>	<u>15</u>
-----------	-----------

**(b) Employee Benefits Attributable to:**

Office Holders	182,282	183,634
Staff	377,285	340,756
	<u>559,567</u>	<u>524,390</u>

**10. OTHER LIABILITIES**

Borrowings		
Funds Held in Trust	<u>189,415</u>	<u>183,016</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**11. AMOUNTS DUE FROM BRANCHES - MEMBERSHIP LEVIES (INCL GST)**

	BALANCE OWING 1/1/04 \$	ADD AMOUNTS CHARGED \$	LESS CASH RECEIVED \$	BALANCE OWING 31/12/04 \$
New South Wales	566,532	974,753	1,365,160	176,125
Victoria	460,487	1,129,280	960,678	629,089
Queensland	116,789	466,019	441,308	141,500
South Australia	53,225	123,214	117,461	58,978
Western Australia	196,454	327,204	352,957	170,701
Tasmania	19,358	37,706	36,000	21,064
Australian Capital Territory	6,797	56,772	50,551	13,018
BTP Division	27,047	67,400	66,000	28,447
Queensland Labourers	96,528	278,164	282,533	92,159
Victoria FEDFA	33,011	249,319	245,934	36,396
<b>TOTAL</b>	<b>1,576,228</b>	<b>3,709,831</b>	<b>3,918,582</b>	<b>1,367,477</b>

The amount of GST included in the "Amounts Charged" is \$337,257 (2003: \$331,503).

	2004 \$	2003 \$
<b>12. ACCUMULATED (LOSS)/PROFITS</b>		
Retained Profits at Start of Year	9,013,540	7,218,626
Net (Loss)/Surplus attributable to Members	(4,149)	1,794,914
Retained Profits at End of Year	<u>9,009,391</u>	<u>9,013,540</u>

**13. CONTINGENT LIABILITY**

Pursuant to Section 7 of the BLF (De-Recognition Act, 1985) and pursuant to an Order in Council made thereunder, a Custodian was appointed by the Victorian Government on 13 October 1987. The Custodian seized all funds and property of the BLF and placed a Queen's Caveat over the land and buildings held in the name of the Trustees of the BLF.

On the 30 March 1994, the BLF merged into the CFMEU and proceedings in the Industrial Relations Court of Australia taken by, or on behalf of, the CFMEU determined that the assets of the former BTF, including title in funds and real estate passed on that merger to the CFMEU. An appeal by the Victorian Government to the High Court was successful and further proceedings resulted in which a Full Court of the Industrial Relations Court of Australia determined that the funds did not so pass. An appeal was lodged by the CFMEU to that finding.

Before the appeal, or leave to appeal, could be determined, the Victorian Government issued another Order in Council granting to the Custodian the power to determine to whom the funds and property previously seized should be distributed. Pursuant to that further Order in Council, the Custodian has determined that the funds and assets ought to be distributed to the CFMEU.

Two sets of proceedings are extant. The CFMEU appeal to the High Court has not yet been determined or withdrawn. The proceedings by certain respondents to the above proceedings seeking the recovery of funds has not been finalised.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

		2004	2003
		\$	\$
<b>14. LEASING COMMITMENTS</b>			
An operating lease commitment exists in respect of the sub-lease of floor area within the Wentworth Avenue premises. The maximum amount committed including GST is as follows:-			
Due within 1 year		<u>28,829</u>	<u>28,829</u>
<b>15. STATEMENT OF CASHFLOWS</b>			
<b>(a) RECONCILIATION OF CASH</b>			
For the purposes of this Statement of Cash Flows, cash includes cash on hand and at call deposits with banks and other financial institutions. Cash at end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:			
Cash	3	<u>463,434</u>	<u>374,611</u>
<b>(b) RECONCILIATION OF CASHFLOWS FROM OPERATIONS WITH NET (LOSS)/SURPLUS FOR YEAR</b>			
Net (Loss)/Surplus		(4,149)	1,794,914
<b>Non-Cash Flows in Net Result</b>			
Depreciation		84,507	59,746
Loss on Disposal of Non-Current Assets		7,338	-
Write Off TAS Branch Loan		153,970	-
Write back of Provision for Diminution in Value		(66,375)	-
<b>Changes in Assets and Liabilities</b>			
(Increase)/Decrease in Amounts Due from Branches		208,751	(546,594)
(Increase)/Decrease in Accrued Interest		(14,573)	(4,098)
(Increase)/Decrease in Prepayments		(13,884)	5,106
(Increase)/Decrease in Sundry Debtors		128,688	(128,542)
Increase/(Decrease) in Employee Entitlements		35,177	103,348
Increase/(Decrease) in Creditors and Accruals		4,000	(651,384)
<b>CASH FLOWS FROM OPERATIONS</b>		<u>523,450</u>	<u>632,496</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**17. FINANCIAL INSTRUMENTS**

**(a) 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 RATES  %	FLOATING INTEREST RATE  \$	FIXED INTEREST RATE MATURING		NON INTEREST BEARING  \$	TOTAL  \$
			WITHIN 1 YEAR  \$	BETWEEN 1 & 5 YEARS  \$		
<b>Financial Assets</b>						
Cash at Bank	2.78	461,934	-	-	-	461,934
Investments	5.34	-	7,230,585	-	-	7,230,585
Receivables	-	-	-	-	1,546,331	1,546,331
<b>Total Financial Assets</b>		<u>461,934</u>	<u>7,230,585</u>	<u>-</u>	<u>1,546,331</u>	<u>9,238,850</u>
<b>Financial Liabilities</b>						
Trade & Sundry Creditors	-	-	-	-	320,138	320,138
<b>Total Financial Liabilities</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>320,138</u>	<u>320,138</u>

**(b) 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 of those assets, as disclosed in the Statement of Financial Position 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 Union.

**(c) Net Fair Values**

The net fair values of all assets and liabilities approximate their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date are disclosed in the Statement of Financial Position and in the Notes to the Financial Statements.



**DETAILED STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	NOTE	2004 \$	2003 \$
<b>INCOME</b>			
Membership Levies	11	3,357,178	3,175,465
Interest		405,909	548,042
Distributions – Scanrock Pty Limited		-	181,265
Donations – Royal Commission		-	505,100
Sundry Income		91,765	97,167
<b>TOTAL INCOME</b>		<u>3,854,852</u>	<u>4,507,039</u>
<b>EXPENDITURE</b>			
Provision for Annual Leave – Increase (Decrease)		4,566	41,974
Affiliation Fees		58,733	55,510
Audit Remuneration		19,577	16,789
Bank Charges		1,359	1,479
CFMEU			
• Capitation Fees		483,525	454,139
• Levies		9,548	2,154
Cleaning		11,448	10,797
Computer Expenses		175,516	177,337
Depreciation		84,507	59,746
Delegation Expenses		38,621	34,766
Donations		525,925	6,784
Electricity		9,727	8,523
Fringe Benefits Tax		28,911	23,284
General Expenses		48,003	30,056
Insurance		15,431	17,113
Internet Expenses		10,779	11,034
Legal Expenses		90,296	203,162
Library Expenses		4,673	-
Provision for Long Service Leave – Increase (Decrease)		29,323	52,677
Media Consultants		7,125	108,856
Meeting and Conference Expenses		268,460	391,561
Merchandise		-	3,342
Monitoring Expenses		13,617	17,320
Motor Vehicle Expenses		14,520	11,272
Payroll Tax		63,430	51,811
Postage and Freight		9,141	11,932
Printing and Stationery		13,347	15,456
Production of Book		-	14,685
Publications		19,000	21,475
Publicity		293,261	392,276
Provision for Redundancy – Increase (Decrease)		1,288	8,697
Redundancy Contributions		33,907	31,357
Rent		153,943	153,943
<b>CARRIED FORWARD</b>		<u>2,541,507</u>	<u>2,441,307</u>

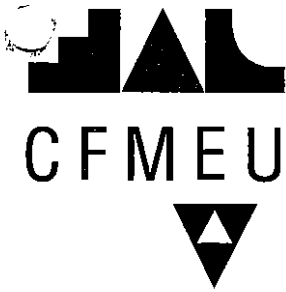
The accompanying notes form part of this financial report

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2004**

(Continued)

	NOTE	2004 \$	2003 \$
<b>EXPENDITURE</b> (Continued)			
BROUGHT FORWARD		2,541,507	2,441,307
Repairs and Maintenance		2,509	2,245
Salaries and Allowances			
• Officials		301,462	312,508
• Employees		739,248	642,780
Superannuation		136,884	122,048
Telephone		38,504	34,874
Website Costs		3,954	-
<b>TOTAL EXPENDITURE</b>		<u>3,764,068</u>	<u>3,555,762</u>
<b>OPERATING SURPLUS FOR YEAR</b>		<u>90,784</u>	<u>951,277</u>
<b>Non Recurring Items:</b>			
FEDFA Integration		-	843,637
Surplus (Loss) on Disposal of Non-Current Assets		(7,338)	-
Write Off TAS Branch Loan		(153,970)	-
Write back of Provision for Diminution in Value	7(b)	66,375	-
		<u>(94,933)</u>	<u>843,637</u>
<b>NET (LOSS)/SURPLUS FOR YEAR</b>		<u>(4,149)</u>	<u>1,794,914</u>

The accompanying notes form part of this financial report



**CONSTRUCTION**

**FORESTRY**

**MINING**

**ENERGY**

**UNION**

24 June 2005

Deputy Industrial Registrar  
Australian Industrial Registry  
80 William Street  
EAST SYDNEY NSW 2010

Attn: Mr B Jenkins

Dear Sir

**Re: Financial Return FR 2004/674**

We refer to your correspondence dated 23 June 2005 in relation to the above.

We advise that the returns of this office were presented in accordance with s265 (5)(6) namely to a meeting of a committee of management (Divisional Executive). This method is consistent with the rules of the CFMEU.

The returns were in fact presented to a presentation meeting today 24 June 2005 and are to be filed in the Registry under separate correspondence. This follows on from the publication of the full report on the CFMEU web-site on 9 June 2005 and a notation in our national journal published on 15 June 2005, directing members to the web-site address at which this report could be found.

Because of unforeseen delays in the preparation of the material making up the draft accounts, and to allow time for distribution of the journal, we would therefore request a 21 day extension of time pursuant to s265 (5).

Yours faithfully

John Sutton  
National Secretary  
Construction & General Division



  
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  
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[www.cfmeu.asn.au/construction](http://www.cfmeu.asn.au/construction)



**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](mailto:sydney@air.gov.au)

Mr John Sutton  
National Secretary  
CFMEU Construction & General Division  
PO Box Q235  
QVB Post Office  
SYDNEY NSW 1230

Dear Mr Sutton

**Request for Extension of Time - Financial Return (FR2004/674)**

I refer to the application of 30 May 2005, and subsequent correspondence, including your letter of 24 June 2005 seeking an extension of time to provide the full report to members.

Under s265(5) of the RAO Schedule I hereby grant the Division an extension of time until 30 June 2005 (being the latest date allowable under s265(5)) in which to provide a copy of the financial report to its members.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Barry Jenkins'.

Barry Jenkins  
for Deputy Industrial Registrar

25 July 2005



**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 John Sutton  
National Secretary  
CFMEU Construction & General Division  
PO Box Q235  
QVB Post Office  
SYDNEY NSW 1230

Dear Mr Sutton

**Re: Lodgement of Financial Statements and Accounts for the Construction & General Division National Office for the year ending 31 December 2004 (FR2004/673)**

Receipt is acknowledged of the abovementioned financial statements and accounts which were lodged in the Registry on 28 June 2005.

I would like to draw your attention to a couple of matters which need to be included in future financial documents.

Section 272 Notice

Section 255 of the RAO Schedule, and the Industrial Registrar's Reporting Guidelines require that a notice under 272(5) of the RAO Schedule be included as part of the financial statements.

I have included a copy of the relevant notice to be included in future financial documents.

Committee of Management Statement – Date of Resolution

The Industrial Registrar's Reporting Guidelines require that the Committee of Management Statement

- be made in accordance with such resolution as is passed by the committee of management
- specify the date of passage of the resolution
- be signed by a designated officer
- be dated as at the date the designated officer signs the statement

The Committee of Management Statement lodged does not specify the date that the resolution was passed by the committee. Please ensure that future statements include this information.

If you have any queries about this letter please contact me on 02 8374 6666. The documents have been filed, and may be viewed on the internet at [www.e-airc.gov.au/105nbwiu/financial](http://www.e-airc.gov.au/105nbwiu/financial).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Belinda Penna'.

Belinda Penna  
for Deputy Industrial Registrar

26 July 2005

## **Section 272(5) Notice**

### **Information to be provided to Member or Registrar**

In accordance with the requirements of the Workplace Relations Act 1996, the attention of the members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of the Registration and Accountability of Organisations Schedule (Schedule 1B to the Workplace Relations Act 1996) which reads as follows: -

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).