



Australian Government
Australian Industrial Registry

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Ref: FR2005/562

Mr Vincent Breen
Secretary
CFMEU FFPD
Queensland FFTS Branch
2nd Floor, 366 Upper Roma Street
BRISBANE QLD 4000

Dear Mr Breen

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: **FR2005/562**.

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
25 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*



10th July 2006

Peter McKerrow
Deputy Registrar
Level 8, Terrace Towers
80 William Street
East Sydney, NSW 2001

Dear Sir

**CONSTRUCTION
FORESTRY
MINING
ENERGY
UNION**

ABN 91 691 430 210

Re: CERTIFICATE OF SECRETARY

I Michael O'Connor being the National Secretary of the Forestry, Furnishing Building Products & Manufacturing Division (FFPD) of the Construction, Forestry, Mining & Energy Union (CFMEU) certify:

That enclosed is a copy of the Annual Accounts and Auditors Report for the QLD Branch of CFMEU FFPD for the year ended 31st December 2005.

That the documents contained herein are copies of the full report referred to in s268 of the RAO Schedule.

That the full report was provided to members on the 28th April 2006; and

Subsequently, the full report was presented to the Committee of Management of the reporting unit on the 30th June 2006; in accordance with section 266 of the RAO Schedule.

I now request that these documents be lodged accordingly.

Yours sincerely

Michael O'Connor
National Secretary
Forestry & Furnishing Products Division
CFMEU



National Secretary

MICHAEL O'CONNOR

National Office

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CARLTON SOUTH

VIC 3053

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Outside Australia

International Code

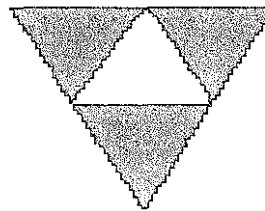
Ph: 61 3 9348 1888

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Visit us at www.cfmeu-forestdivision.com.au



CFMEU



**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
F.F.T.S. UNION DIVISION
QUEENSLAND BRANCH**

Financial Report

For the year ended 31 December 2005

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Construction, Forestry, Mining and Energy Union
F.F.T.S. Union Division
Queensland Branch

Income Statement for the year ended 31 December 2005

	Note	2005 \$	2004 \$
REVENUE			
<i>Operating activities</i>			
Membership subscriptions		98,324	76,978
Compulsory levy - Royal Commission		-	1,918
Compulsory levy - Defence Fund		568	-
Joining fees		4,818	7,575
Total revenue		103,710	86,471
EXPENDITURE			
Affiliation fees - CFMEU FFTS National Office		19,665	15,396
Expenses as per CFMEU/FFTS agreement	3	84,045	71,075
Total expenses		103,710	86,471
Surplus before income tax		-	-
Income tax expense	2	-	-
Surplus attributable to the Union		-	-

The accompanying notes form part of these financial statements.

Construction, Forestry, Mining and Energy Union
F.F.T.S. Union Division
Queensland Branch
Balance Sheet as at 31 December 2005

	Note	2005 \$	2004 \$
<i>Current assets</i>			
Cash and cash equivalents		-	-
Financial assets		-	-
Receivables		-	-
Total current assets		-	-
Total assets		-	-
<i>Current liabilities</i>			
Trade and other payables		-	-
Total current liabilities		-	-
Total liabilities		-	-
Net assets		-	-
<i>Equity</i>			
Retained earnings		-	-
Total equity		-	-

The accompanying notes form part of these financial statements.

Construction, Forestry, Mining and Energy Union**F.F.T.S. Union Division****Queensland Branch***Statement of Changes in Equity for the year ended 31 December 2005*

	Retained earnings \$
Balance at 1 January 2004	-
Surplus attributable to the Union	-
Balance at 31 December 2004	-
Surplus attributable to the Union	-
Revaluation increment	-
Balance at 31 December 2005	-

The accompanying notes form part of these financial statements.

Construction, Forestry, Mining and Energy Union
F.F.T.S. Union Division
Queensland Branch

Cash Flow Statement for the year ended 31 December 2005

	Note	2005 \$	2004 \$
<i>Cash flows from operating activities</i>			
Receipts from members		-	-
Other sundry receipts		-	-
Payments to suppliers and employees		-	-
		<hr/>	<hr/>
Net cash provided by operating activities	6	-	-
		<hr/>	<hr/>
<i>Cash flow from investing activities</i>			
Purchase of fixed assets		-	-
Proceeds from sale of fixed assets		-	-
		<hr/>	<hr/>
Net cash provided (used) by investing activities		-	-
		<hr/>	<hr/>
Net increase (decrease) in cash held		-	-
Cash at the beginning of the year		-	-
		<hr/>	<hr/>
Cash at the end of the year		-	-
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

Construction, Forestry, Mining and Energy Union**F.F.T.S. Union Division****Queensland Branch***Recovery of Wages Activity Report (Cash Basis) for the year ended 31 December 2005*

		2005	2004		
	Note	No of Workers	\$	No of Workers	\$
Cash assets in respect of recovered money at the beginning of the year			-		
Receipts					
Amounts recovered from employers in respect of wages etc			-		
Interest received on recovered money			-		
Total receipts			-		
Payments					
Deductions of amounts due in respect of membership for:					
12 months or less			-		
greater than 12 months			-		
Deductions of donations or other contributions to accounts or funds of:					
Other entities:					
BEWT			-		
CIPQ			-		
BERT			-		
BUSSQ			-		
Deductions of fees or reimbursement of expenses			-		
Payments to workers in respect of recovered money			-		
Bank charges			-		
Total payments			-		
Cash assets in respect of recovered money at the end of the year			-		-
Amounts recovered but not yet paid to workers			-		-

The accompanying notes form part of these financial statements.

Construction, Forestry, Mining and Energy Union

F.F.T.S. Union Division

Queensland Branch

Notes to the Financial Statements for the year ended 31 December 2005

Note 1: Information to be provided to members

In accordance with the requirements of the *Workplace Relations Act 1996*, the attention of members is drawn to the provisions of Schedule 1B section 272 as follows:

- (1) A member of a reporting unit, or a Register, 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).

Note 2: Statement of significant accounting policies

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

The financial report covers the Construction, Forestry, Mining and Energy Union, F.F.T.S. Division, Queensland Branch as an individual reporting unit.

The financial report complies with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Union 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 Union has changed accounting policies to reflect changes to the recognition and measurement criteria resulting from the introduction of Australian equivalents to International Financial Reporting Standards. Retrospective adjustments have been made to comparative information where applicable.

Reporting Basis and Conventions

The financial report has been prepared on a modified accruals basis where:

- in accordance with Schedule 1B section 252(4) of the *Workplace Relations Act 1996*, membership subscriptions are kept on a cash basis; and
- in accordance with paragraph 19 of the Reporting Guidelines for the purposes of section 253 of the RAO Schedule, the Recovery of Wages Activity Report is prepared under the cash basis of accounting.

The financial report 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.

Construction, Forestry, Mining and Energy Union
F.F.T.S. Union Division
Queensland Branch

Notes to the Financial Statements for the year ended 31 December 2005

Note 2: Statement of significant accounting policies (contd)

Accounting Policies

(a) Income tax

No provision for income tax is necessary as trade unions are exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.

(b) 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.

(c) 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.

(d) Comparative Figures

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

Critical accounting estimates and judgements

The Union evaluates 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.

Key estimates - Impairment

The Union assesses impairment at each reporting date by evaluating conditions specific to the Union that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Note 3: CFMEU/FFTS administration agreement

The attached financial statements reflect the entries as recorded whilst under the administration of the Construction, Forestry, Mining and Energy, Industrial Union of Employees, Queensland.

Note 4: Contingent liabilities

There are no known contingent liabilities of a significant nature at balance date.

Note 5: Events after the Balance Sheet date

There have been no significant events occurring after the end of the financial year.

Construction, Forestry, Mining and Energy Union
F.F.T.S. Union Division
Queensland Branch

Notes to the Financial Statements for the year ended 31 December 2005

	2005	2004
	\$	\$
Note 6: Cash flow information		
(a) Reconciliation of cash flow from operations with surplus from ordinary activities after income tax		
Surplus from ordinary activities after income tax	-	-
Changes in assets and liabilities		
(Increase) decrease in receivables	-	-
(Increase) decrease in prepayments	-	-
Increase (decrease) in payables of an operating nature	-	-
Increase (decrease) in other liabilities	-	-
Increase (decrease) in provisions	-	-
	-	-

(b) There were no non-cash financing or investment activities during the year.

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

Note 7: Financial instruments

(a) Interest rate risk

The Union has no 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.

Financial liabilities

Nil

(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 of those assets, net of any provisions for doubtful debts, as disclosed in the Balance Sheet and notes to the financial statements.

(c) Net fair values

The net fair values of listed investments have been valued at the quoted market bid price at balance date. 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 Union intends to hold these assets to maturity.

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

Note 8: Union details

The principal place of business of the Union is:

Construction, Forestry, Mining and Energy Union, F.F.T.S. Division, Queensland Branch
 366 Upper Roma Street
 Brisbane Qld 4000

Construction, Forestry, Mining and Energy Union
F.F.T.S. Union Division
Queensland Branch


Committee of Management Statement for the year ended 31 December 2005

(Workplace Relations Act 1996 Cwlth)

In accordance with a resolution passed by the Committee of Management of the Construction, Forestry, Mining and Energy Union, F.F.T.S. Division, Queensland Branch on 2 March 2006 the Committee declares that in their opinion:

- (a) The financial statements and notes comply with 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, and
- (e) During the financial year to which the general purpose financial report relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the 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) any information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- (f) In relation to recovery of wages activity:
 - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
 - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

Signed on behalf of the Committee of Management by:


.....

Vincent E. Breen
State Secretary

Date: 02-03-06

Construction, Forestry, Mining and Energy Union
F.F.T.S. Union Division
Queensland Branch

Construction, Forestry, Mining and Energy Union
F.F.T.S. Union Division
Queensland Branch

Independent Audit Report to the members

Scope

We have audited the financial report of the Construction, Forestry, Mining and Energy Union, F.F.T.S. Division, Queensland Branch for the year ended 31 December 2005 comprising the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, Recovery of Wages Activity Report and Notes to the Financial Statements. The Union's Committee of Management is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members.


Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance 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 whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, the *Workplace Relations Act 1996* and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the Union's financial position and performance as represented by the results of its operations, its cash flows and its recovery of wages activity.

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

Audit opinion

In our opinion, the financial report of the Construction, Forestry, Mining and Energy Union, F.F.T.S. Division, Queensland Branch:

- (a) presents fairly in accordance with applicable Accounting Standards, the Workplace Relations Act 1996 including the Reporting Guidelines of the Industrial Registrar and Part 3 of Chapter 8 of the RAO Schedule, and other mandatory professional reporting requirements in Australia, the financial position of the Construction, Forestry, Mining and Energy Union, F.F.T.S. Division, Queensland Branch as at 31 December 2005 and the results of its operations and its cash flows for the year then ended.
- (b) reports properly and fairly:
 - (1) any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
 - (2) any donations or other contributions deducted from recovered money.

.....

Michael Rice

Michael Rice & Associates
Certified Practising Accountants

Date:.....3/4/06.....

Brisbane

Construction, Forestry, Mining and Energy Union
F.F.T.S. Union Division
Queensland Branch

Certificate by State Secretary for the year ended 31 December 2005

In accordance with the requirements of the Workplace Relations Act 1996 Schedule 1B Section 268(c), 1, Vincent E. Breen, certify that the attached copies of reports are copies of documents that were provided to members on ...28 April..., 2006 and presented to a meeting of the Committee of Management on ...30 June 2006 in accordance with Section 266 of the RAO Schedule.



.....
Vincent E. Breen
State Secretary

Construction, Forestry, Mining and Energy Union
F.F.T.S. Union Division
Queensland Branch

Date: 30 June 2006

Construction, Forestry, Mining and Energy Union

F.F.T.S. Union Division

Queensland Branch

Operating Report for the year ended 31 December 2005

The Committee of Management presents the Operating Report for the financial year ended 31 December 2005:

Principal Activities

The principal activities of the Union during the year were:

- Implementation of the decisions of the State Executive, State Management Committee and resolutions of the State Delegates' convention.
- The development and implementation of Union policy through effective communications with members at the workplace.
- The administration of State awards, the variation of awards following major test cases (ie State wage case) and making other variations to awards for other industrial matters.
- Industrial support including representation of members grievances and/or advice at their workplaces and/or through the various industrial tribunals (ie Industrial Relations Commission, Workers Compensation etc).
- Ongoing communication to members and the broader community through meetings, rallies, media releases, journals and flyers.
- Growing the organisation through good on the job organisation and strong links between the organisers and members.

The results of those activities were ongoing in providing effective leadership to officers, organisers, delegates and membership in the development, advancement and delivery of policy through a delegation responsibilities and effective communication strategies in the areas of organising, policy/administration, and Industrial Relations/Training/Workcover.

There were no significant changes to the nature of those activities during the year.

Financial Affairs

There were no significant changes to the Union's financial affairs during the year.

Members' Rights

Members have the right to resign from the Union in accordance with section 174 of Schedule 1B of the Workplace Relations Act 1996.

Superannuation Fund Trustees

No officers or members were trustees, or directors of a trustee company, of a Superannuation Fund as a consequence of their position with the Union.

Number of Members

The number of members at the end of the financial year recorded in the register of members and taken to be members of the Union was 374.

Number of Employees


There were no full-time equivalent employees of the Union at the end of the financial year.

Committee of Management

The members of the Committee of Management at any time during the financial year were as follows:

- | | | |
|----------------|-----------------|---------------------|
| ● David Begley | ● Vincent Breen | ● Garland Whitehall |
| ● Rodney Black | ● John Forrest | ● Stephen Williams |

Signed on behalf of the Committee of Management by:


.....

Vincent E. Breen

State Secretary

Date: 02-03-06

Construction, Forestry, Mining and Energy Union
F.F.T.S. Union Division
Queensland Branch

CONSTRUCTION FORESTRY MINING AND ENERGY UNION

F.F.T.S. Union Division Queensland Branch

For year ended 31st December, 2005

In pursuance of the provisions of the Act, there were no donations exceeding \$1000 for the financial year ended 31st December, 2005.



.....
Vincent Breen
Divisional Branch Secretary
Construction Forestry Mining & Energy Union
FFTS Union Division
Queensland Branch

02-03-06

.....
Date



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 Trevor Smith
National Secretary
Forestry & Furnishing Products Division
CFMEU
Level 1, 125 Port Road
HINDMARSH SA 5007

COPY

Dear Mr Smith

**Financial Return - Queensland (FFTS) Branch – for year ending 31 December 2004
(FR2004/676)**

Thank you for your correspondence in this matter. The above financial reports and statements were lodged in the Registry on 6 July 2005.

In accordance with a previous undertaking by both the National Office of the organisation and the Secretary of the Queensland Construction Workers' Divisional Branch of the Construction and General Division, the financial reports and statements of the CFMEU Industrial Union of Employees, Queensland (also for the year ending 31 December 2004) were also lodged in the Registry on 5 December 2005.

The two sets of documents together reflect the administration agreement between the Queensland FFTS Branch and the Queensland Construction Workers' Divisional Branch of the Construction and General Division.

Accordingly, the Registry expects that each year, while the agreement remains in place, both sets of documents will continue to be published for the benefit of the members of the Queensland (FFTS) Branch and that a copy of both sets will be lodged in the Registry.

The documents have now been filed.

Yours sincerely

Stephen Kellett
Assistant Manager, Sydney Registry

5 December 2005

ADMINISTRATION AGREEMENT

THIS AGREEMENT BETWEEN:

- (1) CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION, QUEENSLAND CONSTRUCTION
WORKERS' DIVISIONAL BRANCH;
- (2) CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION - FFTS UNION
DIVISION;
- (3) CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION - FFTS UNION
DIVISION, QUEENSLAND DIVISIONAL BRANCH

(OTHERWISE KNOWN IN THIS AGREEMENT AS THE CFMEU - C & G, THE
FFTS AND THE FFTSQ)

The Parties to this Agreement being divisional branches or State divisional branches of the CFMEU.

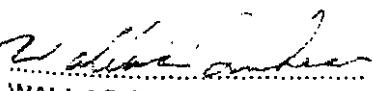
The intention of this agreement is to reflect the status in Queensland branch where the Construction, Forestry, Mining and Energy Union, Industrial Union of Employees' Queensland, shall operate with no divisions in future (by operating a combined administration of the FFTS Union Division, Queensland Divisional Branch and the Queensland Construction Workers' Divisional Branch of the Construction and General Division).

This Agreement is reached as a consequence of the integration in Queensland of State Registered Divisional Branches of the Union as from the 1st April, 1998. The FFTSQ Union Division is desirous of services and facilities being provided to its members who work in the Furnishing and related industries.

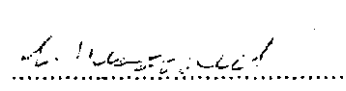
The CFMEU C & G agrees that in return for FFTSQ dues contributions the CFMEU C & G will provide organising, staff, secretarial services and pay all costs associated with servicing the FFTSQ members, including administration costs, affiliation fees, organising and travel costs as from the 1st April, 1998.

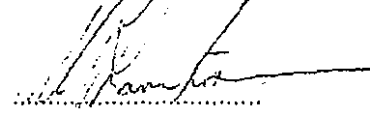
The CFMEUQ accepts no liabilities which were accrued by the FFTSQ prior to the 1st April, 1998. However, agrees to accept liabilities from the 1st April, 1998, regarding the rental lease on the photocopying machine and laser printer and the on-going costs on the lease on the premises at St Pauls Terrace, Brisbane.

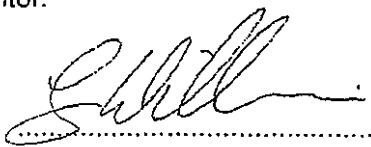
The CFMEUQ also agrees to provide the FFTS Union Division with an annual set of accounts which are auditable and are prepared by the CFMEU C & G Auditor.

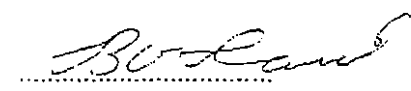

WALLACE TROHEAR
State Secretary
CFMEU Construction & General,
Queensland Construction
Workers' Divisional Branch

.....
WITNESSED
.....
DATED 1/6/98


LOU KYRIACOU
Divisional Secretary
CFMEU FFTS Union Division


WITNESSED
.....
DATED 1/7/98


GREG WILLIAMS
Honorary Divisional Branch Secretary
CFMEU FFTS Union Division, Queensland
Divisional Branch


WITNESSED
.....
DATED 1/6/98



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 Michael O'Connor
National Secretary, FFPD Division
Construction, Forestry, Mining and Energy Union
PO Box 661
CARLTON SOUTH VIC 3053

Dear Mr O'Connor

**Re: Financial Statements – FFPD Division, Queensland FFTS Branch – for year ending
31 December 2005 (FR2005/562)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 17 July 2006.

The financial statements reflect the administration agreement with the CFMEU Industrial Union of Employees, Queensland and are consistent with previous returns.

However I refer you to the attached copies of correspondence in which undertakings were given by the then Secretary Mr Wallace Trohear to also provide the Registry each year with a copy of the financial documents of the CFMEU Industrial Union of Employees, Queensland. This undertaking reflects the close relationship of both sets of documents and is consistent with the Registry's view of the organisation's obligations of disclosure and publication to the Branch's members. You will note from the attached correspondence from Messrs Trevor Smith and Rick Fowler that both the Divisional and National offices have endorsed the Branch's undertaking.

In line with this arrangement therefore I would ask that a copy of the financial documents for 2005 of the CFMEU Industrial Union of Employees, Queensland be provided to the Registry at the earliest opportunity. For quicker processing I would also ask that the documents be mailed to me at the following address:

Australian Industrial Registry
C/- Bundarra Sub-Registry
10 Burnett Street
BUNDARRA NSW 2359

Upon receipt they will be added to the folder and the documents will be processed for despatch to the Sydney Registry and filing together. If you have any queries please do not hesitate to contact me on 0429 462 979 Mondays to Wednesdays.

Yours sincerely,

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

Stephen Kellett
for Deputy Industrial Registrar

8 August 2006



CFMEU

CONSTRUCTION

FORESTRY

MINING

ENERGY

UNION

ABN 91 691 430 210

National Secretary

MICHAEL O'CONNOR

National Office

PO Box 661

CARLTON SOUTH

VIC 3053

Ph: (03) 9348 1888

Fax: (03) 9349 3470

Email:

cfmeuforestry@bigpond.com

Outside Australia

International Code

Ph: 61 3 9348 1888

Fax: 61 3 9349 3470

16 August 2006

Mr Stephen Kellett
Deputy Industrial Registrar
Australian Industrial Registry
Level 8 Terrace Towers
80 William Street
East Sydney NSW 2011

Dear Mr Kellett,

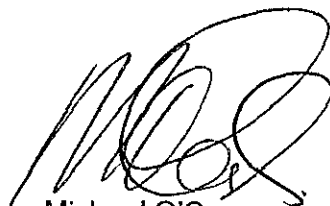
Re: **FFPD Division, Queensland FFTS Branch (FR 2005/562)**
FFPD Division, Western Australian Branch (FR 2005/600)
Financial Statements year ending 31 December 2005

I write in response to your recent letters as itemised above.

For information, attached are copies of letters addressed to the Queensland FFTS Branch requesting financial documents for 2005 from the CFMEU Industrial Union of Employees, Queensland, and a letter to the FFPD WA Divisional Branch Secretary, drawing to his attention, the irregularities noted in the accounts.

Thank you for your assistance in these matters.

Yours sincerely,



Michael O'Connor
National Secretary
Forestry & Furnishing Products Division
CFMEU



FORESTRY & FURNISHING
PRODUCTS DIVISION

TO BUILD, STRENGTHEN & MAINTAIN A UNION THAT PROTECTS & IMPROVES THE QUALITY OF LIFE FOR WORKERS



**CONSTRUCTION
FORESTRY
MINING
ENERGY
UNION**

ABN 91 891 430 210

National Secretary

MICHAEL O'CONNOR

National Office

PO Box 661

CARLTON SOUTH

VIC 3053

Ph: (03) 9348 1888

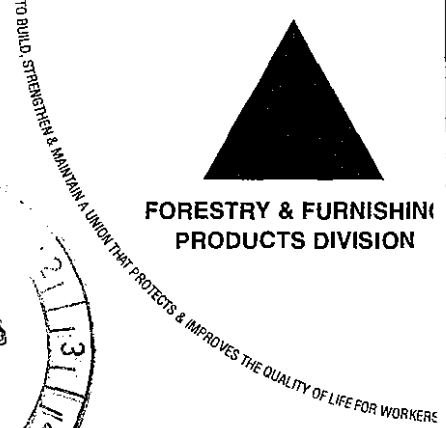
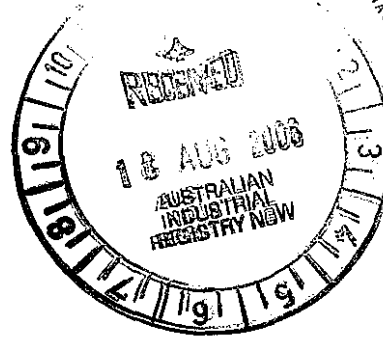
Fax: (03) 9349 3470

Email:

meuforestry@bigpond.com

16 August 2006

Mr Wally Trohear
State Secretary
CFMEU
Construction & General Division
Queensland Construction Worker's Divisional Branch
FFTS Union Division
2nd Floor 366 Upper Roma Street
Brisbane QLD 4000



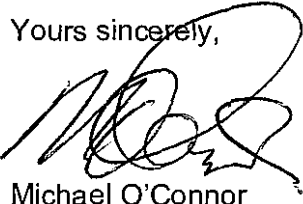
Dear Mr Trohear,

Re: Attached letter from Australian Industry Registry

I write enclosing a copy of a letter received recently from the Australian Industrial Registry, addressed to me, and requesting that a copy of the financial documents for 2005 of the CFMEU Industrial Union of Employees, Queensland be provided to the Registry at the earliest opportunity.

It would be appreciated if you could forward the financial documents to the address shown in the letter and advise me when this action has been completed.

Please contact me on (03) 9348 1888 or 0418 550 831 if you wish to discuss this letter.

Yours sincerely,


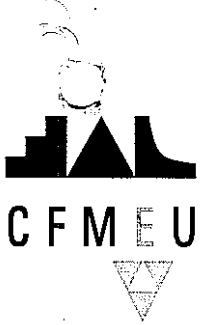
Michael O'Connor
National Secretary
Forestry & Furnishing Products Division
CFMEU

Outside Australia
International Code

Ph: 61 3 9348 1888

Fax: 61 3 9349 3470

Visit us at www.cfmeu-forestdivision.com.au



28 August 2006

CONSTRUCTION

FORESTRY

MINING

ENERGY

UNION

Mr Stephen Kellett
Deputy Industrial Registrar
Australian Industrial Register
c/- Bundarra Sub-Registry
Bundarra NSW 2359

ABN 91 691 430 210

Dear Mr Kellett,

National Secretary

**Re: Financial Statements – FFP Division Queensland FFTS Branch
year ending 31 December 2005 (FR2005/562)**

MICHAEL O'CONNOR

As requested in your letter of 8th August 2006, attached please find a copy of the CFMEU Queensland Financial Report for year ending 31 December 2005.

Yours sincerely

National Office

PO Box 661

CARLTON SOUTH

Michael O'Connor
*National Secretary
Forestry & Furnishing Products Division
CFMEU*

VIC 3053

Ph: (03) 9348 1888

Fax: (03) 9349 3470

Email:

cfmeuforestry@bigpond.com

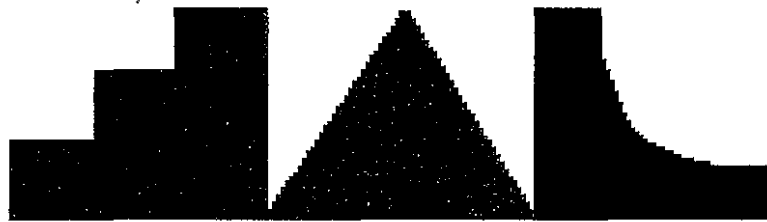
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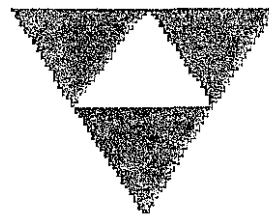
Ph: 61 3 9348 1888

Fax: 61 3 9349 3470

Visit us at www.cfmeu-forestdivision.com.au



CFM EU



**THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
INDUSTRIAL UNION OF EMPLOYEES, QUEENSLAND**

Financial Report

For the year ended 31 December 2005

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The Construction, Forestry, Mining and Energy Union
Industrial Union of Employees, Queensland
Income Statement for the year ended 31 December 2005

	Note	2005 \$	2004 \$
REVENUE			
<i>Operating activities</i>			
Revenue as per FEDFA administration agreement	3	1,425,885	1,172,303
Membership subscriptions		3,864,297	3,464,750
Compulsory levy - Royal Commission		-	15,035
Compulsory levy - Defence Fund		274,097	-
Voluntary Levy - Tool Scheme		57,055	40,230
Voluntary contributions - Defence Fund		62,958	-
Grants Apprentice Scheme		232,743	201,923
Joining fees		4,818	7,575
<i>Non-operating activities</i>			
Interest		289,070	207,894
Sundry income and reimbursement		263,706	258,724
Total revenue		6,474,629	5,368,434
EXPENDITURE			
Affiliation Fees	4	577,729	533,967
Employee related costs	5	2,892,377	2,647,526
Grants Apprentice Scheme		232,743	201,923
Depreciation	6	188,994	202,267
Loss on disposal of property, plant & equipment		2,256	2,465
Meeting costs	7	63,708	99,781
Other	8	1,339,209	1,036,664
Total expenses		5,297,016	4,724,593
Surplus before income tax		1,177,613	643,841
Income tax expense	2	-	-
Surplus attributable to the Union		1,177,613	643,841
Revaluation increment		215,948	-
Total changes in equity		1,393,561	643,841

The accompanying notes form part of these financial statements.

The Construction, Forestry, Mining and Energy Union
Industrial Union of Employees, Queensland
Balance Sheet as at 31 December 2005

	Note	2005 \$	2004 \$
<i>Current assets</i>			
Cash and cash equivalents	9	2,836,703	1,748,720
Financial assets	10	500,000	-
Receivables	11	80,674	71,997
Prepayments		130,614	112,832
Total current assets		3,547,991	1,933,549
<i>Non-current assets</i>			
Financial assets	10	1,524,356	2,226,425
Property, Plant and Equipment	12	1,487,063	1,201,514
Total non-current assets		3,011,419	3,427,939
Total assets		6,559,410	5,361,488
<i>Current liabilities</i>			
Trade and other payables	13	480,802	491,678
Short-term provisions	14	477,206	465,827
Other	15	191,869	400,921
Total current liabilities		1,149,877	1,358,426
<i>Non-current liabilities</i>			
Long-term provisions	14	558,627	545,717
Total non-current liabilities		558,627	545,717
Total liabilities		1,708,504	1,904,143
Net assets		4,850,906	3,457,345
<i>Equity</i>			
Asset revaluation reserve	16	304,091	88,143
Retained earnings		4,546,815	3,369,202
Total equity		4,850,906	3,457,345

The accompanying notes form part of these financial statements.

The Construction, Forestry, Mining and Energy Union
Industrial Union of Employees, Queensland

Statement of Changes in Equity for the year ended 31 December 2005

	Retained earnings		Total	Asset revaluation reserve
	General Fund	Defence Fund		
	\$	\$	\$	\$
Balance at 1 January 2004	2,933,074	-	2,933,074	88,143
Retrospective adjustment for change in accounting policy	(207,713)		(207,713)	
Surplus attributable to the Union	643,841		643,841	
Balance at 31 December 2004	3,369,202	-	3,369,202	88,143
Surplus attributable to the Union	693,927	483,686	1,177,613	
Revaluation increment				215,948
Balance at 31 December 2005	4,063,129	483,686	4,546,815	304,091

The accompanying notes form part of these financial statements.

The Construction, Forestry, Mining and Energy Union
Industrial Union of Employees, Queensland
Cash Flow Statement for the year ended 31 December 2005

	Note	2005 \$	2004 \$
<i>Cash flows from operating activities</i>			
Receipts from members		4,620,294	3,879,584
Receipts from FEDFA administration agreement		1,568,474	1,289,533
Receipts from CFMEU C&G National Office		26,904	1,686
Receipts from BLF		43,616	10,899
Donations received		1,000	-
Grant receipts		22,100	546,512
Interest received		264,897	201,135
Wage claim receipts		157,417	326,424
Royal Children's Hospital donations collected		222,630	30,325
Other sundry receipts		236,602	267,259
Payments to CFMEU C&G Federal Office		(590,450)	(448,552)
Payments to CFMEU FFTS National Office		(22,207)	(17,081)
Payments to CFMEU C&G West Aust Division		(4,522)	-
Payments to CFMEU Mining National Office		(627)	-
Payments to CFMEU C&G Tasmanian Division		-	(10,000)
Payments to BLF		(7,791)	(3,348)
Payment of donations to Royal Childrens Hospital		(234,548)	(186,655)
Payments to other suppliers and employees		(4,963,487)	(4,405,694)
Wage claim payments		(158,585)	(331,344)
Net cash provided by operating activities	20	1,181,717	1,150,683
<i>Cash flow from investing activities</i>			
Purchase of fixed assets		(528,664)	(416,395)
Proceeds from sale of fixed assets		234,930	162,201
Purchase of investments		-	(2,200,000)
Proceeds from investments		200,000	-
Net cash provided (used) by investing activities		(93,734)	(2,454,194)
Net increase (decrease) in cash held		1,087,983	(1,303,511)
Cash at the beginning of the year		1,748,720	3,052,231
Cash at the end of the year	9	2,836,703	1,748,720

The accompanying notes form part of these financial statements.

The Construction, Forestry, Mining and Energy Union
Industrial Union of Employees, Queensland

Notes to the Financial Statements for the year ended 31 December 2005

Note 1: Information to be provided to members

In accordance with the requirements of the *Industrial Relations Act 1999*, the attention of members is drawn to the provisions of section 556, which reads as follows:

- (1) A member of an organisation may apply to the organisation for information that it must, under a regulation, give its members.
- (2) An application may be made by the registrar for a member.
- (3) The organisation must give the member or, if the registrar applied for a member, the registrar, the information applied for in the way prescribed under a regulation.
- (4) If the information is given to the registrar, the registrar must give the information to the member for whom the registrar made the application.

Note 2: Statement of significant accounting policies

The financial statements are a special purpose financial report prepared in order to satisfy the account preparation requirements of the *Industrial Relations Act 1999*. The Committee of Management has determined that the Union is not a reporting entity.

Basis of Preparation

The report has been prepared in accordance with the requirements of the *Industrial Relations Act 1999* and the following applicable Australian Accounting Standards and Urgent Issues Group Interpretations.

AASB 110 Events After the Balance Sheet Date
AASB 1031 Materiality

No other applicable Accounting Standards, Urgent Issues Group Interpretations or other mandatory professional reporting requirements have been applied.

Reporting Basis and Conventions

The report has been prepared on a modified accruals basis of accounting where membership subscriptions are accounted for on a cash receipt basis. The report 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.

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

The Union has changed accounting policies to reflect changes to the recognition and measurement criteria resulting from the introduction of Australian equivalents to International Financial Reporting Standards. Retrospective adjustments have been made to comparative information where applicable.

**The Construction, Forestry, Mining and Energy Union
Industrial Union of Employees, Queensland**

Notes to the Financial Statements for the year ended 31 December 2005

Note 2: Statement of significant accounting policies (contd)

Accounting Policies

(a) Income tax

No provision for income tax is necessary as trade unions are exempt from income tax under Section 50-15 of the *Income Tax Assessment Act 1997*.

(b) Property, plant and equipment

Property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

In accordance with Queensland legislation (Schedule 4 of the *Industrial Relations Regulations 2000*) revaluations of assets are shown as income.

Property

Land and buildings are shown at their fair value less subsequent depreciation for buildings. Property held for investment purposes is not depreciated.

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 the Union to ensure it is not in excess of the recoverable amount from those assets.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the Union commencing from the time the assets is held ready for use. Motor vehicles are depreciated on a diminishing value basis.

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

<i>Fixed asset</i>	<i>Rate</i>
Buildings	4%
Motor vehicles	25%
Air conditioning plant	10.0%
Computer equipment	20%
Office equipment	20%
Office furniture	12.5%

**The Construction, Forestry, Mining and Energy Union
Industrial Union of Employees, Queensland**

Notes to the Financial Statements for the year ended 31 December 2005

Note 2: Statement of significant accounting policies (contd)

(c) Financial Instruments

Recognition

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

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.

Held to maturity investments

These investments have fixed maturities, and it is the Union's intention to hold these investments to maturity. Any held to maturity investments held by the Union are stated at amortised cost using the effective interest rate method.

Available for sale financial assets

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

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal repayments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Union assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

(d) Impairment of Assets

At each reporting date, the Union reviews the carrying values of its 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 its depreciated replacement value, 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.

**The Construction, Forestry, Mining and Energy Union
Industrial Union of Employees, Queensland**

Notes to the Financial Statements for the year ended 31 December 2005

Note 2: Statement of significant accounting policies (contd)

(e) Employee benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled, plus related on-costs. 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.

Contributions are made by the Union to an employee superannuation fund and are charged as expenses when incurred.

(f) Provisions

Provisions are recognised when the Union 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.

(g) 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.

(h) 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.

(i) Comparative Figures

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

Critical accounting estimates and judgements

The Union evaluates 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.

Key estimates - Impairment

The Union assesses impairment at each reporting date by evaluating conditions specific to the Union that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

**The Construction, Forestry, Mining and Energy Union
Industrial Union of Employees, Queensland**

Notes to the Financial Statements for the year ended 31 December 2005

Note 2: Statement of significant accounting policies (contd)

(j) BERT Fund

As a sponsor of the BERT Fund the Union may receive distributions of income from the Fund. In accordance with the Sponsors Deed all distributions must be loaned back to the Fund until they are expended on welfare or related assistance as agreed upon by the Sponsors. The distributions from the Fund and welfare assistance paid from the loan account are not shown as income or expenditure of the Union as the union has no control over the funds nor are the funds available for Union purposes.

	2005 \$	2004 \$
Note 3: FEDFA membership subscriptions		
Membership subscriptions	1,352,961	1,161,108
Compulsory levy - Defence Fund	72,924	-
Compulsory levy - Royal Commission	-	11,195
	<u>1,425,885</u>	<u>1,172,303</u>

These amounts reflect the entries as recorded in accordance with the FEDFA/ASCJBPP&D administration agreement.

Note 4: Affiliation fees

Political	47,175	49,392
CFMEU C&G National Office	447,874	422,784
CFMEU FFTS National Office	19,665	15,396
Other	63,015	46,395
	<u>577,729</u>	<u>533,967</u>

Note 5: Employee related costs

Employee remuneration - officials	1,254,062	855,529
Employee remuneration - staff	599,401	865,398
External agencies	20,656	13,850
BERT contributions	79,140	73,822
CIPQ Insurance	17,290	16,840
Annual leave entitlements	23,644	32,722
Long service leave entitlements	53,601	59,992
Fringe benefits tax	52,236	44,097
Payroll tax	125,586	109,459
Superannuation	649,759	561,441
Workcover insurance	17,002	14,376
	<u>2,892,377</u>	<u>2,647,526</u>

The Construction, Forestry, Mining and Energy Union
Industrial Union of Employees, Queensland

Notes to the Financial Statements for the year ended 31 December 2005

	2005 \$	2004 \$
Note 6: Depreciation		
Building	-	15,948
Motor vehicles	158,849	156,952
Plant and equipment	30,145	29,367
	188,994	202,267
Note 7: Meetings costs		
Attendance fees	19,584	22,382
Convention expenses	-	46,236
SMC & state executive expenses	28,256	15,579
Sub-branch expenses	9,008	8,363
Other meeting expenses	6,860	7,221
	63,708	99,781
Note 8: Other operating costs		
Accounting service	100,498	90,015
Administration expenditure	44,660	42,841
Advertising & marketing	166,620	26,090
Aged auxiliary	14,488	14,112
Auditors remuneration - audit services	13,080	14,390
Computer expenses	12,153	10,847
Communications	86,732	81,310
Conference expenses	26,164	12,556
Donations - political	-	80,000
Donations - other	61,335	2,900
Interest paid	-	49
International delegates	19,523	11,846
Journal expenses	73,587	57,775
Labour Day expenses	9,289	7,639
Legal fees	151,395	62,583
Miscellaneous expenses	5,911	5,620
Motor vehicle expenses	208,467	191,173
Organising expenses	191,045	182,658
Postage	36,947	33,649
Printing and stationery	58,679	55,156
Rent and cleaning	28,868	25,614
Subscriptions	5,918	5,717
Tool claims paid	2,705	2,562
Training	21,145	19,562
	1,339,209	1,036,664

**The Construction, Forestry, Mining and Energy Union
Industrial Union of Employees, Queensland**

Notes to the Financial Statements for the year ended 31 December 2005

	2005 \$	2004 \$
Note 9: Cash and cash equivalents		
Petty cash on hand	4,300	4,200
Bank - general account	91,003	65,239
Bank - recovery of wages account	1,267	1,908
Short-term bank deposits	621,676	365,218
Term deposits maturing in less than 3 months	1,618,457	1,312,155
Debentures	500,000	-
	2,836,703	1,748,720
Note 10: Financial assets		
<i>Current</i>		
<i>Held to maturity investments:</i>		
Debentures	500,000	-
	500,000	-
Total current financial assets	500,000	-
<i>Non-current</i>		
<i>Available for sale financial assets:</i>		
Unlisted investments		
Units in Trade Union Centre Rockhampton at cost	23,678	23,678
Union House Partnership at fair value	678	2,747
	24,356	26,425
<i>Held to maturity investments:</i>		
Notes	1,500,000	1,000,000
Debentures	-	500,000
Term deposits	-	700,000
	1,500,000	2,200,000
Total non-current financial assets	1,524,356	2,226,425

**The Construction, Forestry, Mining and Energy Union
Industrial Union of Employees, Queensland**

Notes to the Financial Statements for the year ended 31 December 2005

	2005 \$	2004 \$
Note 11: Receivables		
Interest	51,630	27,457
FEDFA	16,850	16,850
BLF	9,476	260
CFMEU National office	1,845	2,052
Other	5,873	30,378
	<hr/> 85,674	<hr/> 76,997
Less: Provision for impairment of receivables	(5,000)	(5,000)
	<hr/> 80,674	<hr/> 71,997
Note 12: Property, Plant and Equipment		
Land and buildings - 1/6 share Union House		
Land at independent valuation 2005	140,000	100,000
Building at independent valuation 2005	560,000	400,000
Less: accumulated depreciation	-	(15,948)
	<hr/> 700,000	<hr/> 484,052
Motor vehicles - at cost	823,407	802,070
Less: accumulated depreciation	(168,260)	(200,996)
	<hr/> 655,147	<hr/> 601,074
Plant and equipment - at cost	374,092	372,113
Less: accumulated depreciation	(242,176)	(255,725)
	<hr/> 131,916	<hr/> 116,388
	<hr/> 1,487,063	<hr/> 1,201,514

The Union's land and buildings were revalued at 31 December 2005 by independent valuers. Valuations were made on the basis of open market value. The revaluation surplus was credited to an asset revaluation reserve.

**The Construction, Forestry, Mining and Energy Union
Industrial Union of Employees, Queensland**

Notes to the Financial Statements for the year ended 31 December 2005

Note 12: Property, Plant and Equipment contd

Movements in carrying amounts

	Land and Buildings \$	Motor vehicles \$	Plant and equipment \$	Total \$
Balance at start of year	484,052	601,074	116,388	1,201,514
Additions	-	434,798	45,806	480,604
Disposals	-	(216,218)	(133)	(216,351)
Revaluation increments	215,948			215,948
Depreciation expense - Note 6	-	(158,849)	(30,145)	(188,994)
Depreciation - Apprentice Scheme	-	(5,658)	-	(5,658)
Carrying amount at end of year	700,000	655,147	131,916	1,487,063

2005
\$

2004
\$

Note 13: Trade and other payables

Trade	146,493	28,623
GST	105,294	95,732
Appeals	34,173	46,091
Sundry Creditors		
CFMEU C&G National Office	101,751	128,636
CFMEU FFTS National Office	788	1,312
BLF	-	121
Other	91,036	188,728
Wages collected on behalf of members	1,267	2,435
	480,802	491,678

Note 14: Provisions

Employee entitlements:

Balance at 1 January 2005	1,011,544	717,463
Retrospective adjustment for change in accounting policy		207,713
Additional provisions raised during year		
General operations - note 5	77,245	92,714
Apprentice Scheme	13,036	1,694
Amounts used	(65,992)	(8,040)
Balance at 31 December 2005	1,035,833	1,011,544

The Construction, Forestry, Mining and Energy Union
Industrial Union of Employees, Queensland

Notes to the Financial Statements for the year ended 31 December 2005

	2005	2004
	\$	\$
Note 14: Provisions contd		
<i>Analysis of employee entitlements</i>		
Current	477,206	465,827
Non-current	558,627	545,717
	1,035,833	1,011,544

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. 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 measurement and recognition criteria for employee benefits has been included in note 2.

Note 15: Other current liabilities

<i>Revenue received in advance</i>		
Apprentice Scheme Funding	164,069	376,721
Other	27,800	24,200
	191,869	400,921

Note 16: Reserves

The asset revaluation reserve records revaluations of non-current assets.

Note 17: Defence Fund

Compulsory levy - Defence Fund	347,021	-
Voluntary contributions - Defence Fund	62,958	-
Union contribution from general fund	111,227	-
Less: expenditure	(37,520)	-
	483,686	-

The Defence Fund has been established to provide additional resources needed to defend our members against increasing attacks from employers and the Federal Government.

Note 18: Contingent liabilities

There are no known contingent liabilities of a significant nature at balance date.

Note 19: Events after the Balance Sheet date

There have been no significant events occurring after the end of the financial year.

**The Construction, Forestry, Mining and Energy Union
Industrial Union of Employees, Queensland**

Notes to the Financial Statements for the year ended 31 December 2005

	2005 \$	2004 \$
Note 20: Cash flow information		
(a) Reconciliation of cash flow from operations with surplus from ordinary activities after income tax		
Surplus from ordinary activities after income tax	1,177,613	643,841
Non-cash flows in ordinary activities		
Depreciation expense - Note 6	188,994	202,267
Depreciation - Apprentice Scheme	5,658	5,337
Net loss on disposal of fixed assets	2,778	2,465
Union House partnership loss	2,069	1,055
Changes in assets and liabilities		
(Increase) decrease in receivables	(8,677)	(12,479)
(Increase) decrease in prepayments	(17,782)	(55,979)
Increase (decrease) in payables of an operating nature	15,827	(68,181)
Increase (decrease) in other liabilities	(209,052)	345,989
Increase (decrease) in provisions	24,289	86,368
	1,181,717	1,150,683

(b) There were no non-cash financing or investment activities during the year.

(c) The union has no credit stand-by arrangement or loan facilities.

Note 21: Financial instruments

(a) Financial risk management

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

(b) 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 is as follows:

	2005 \$	2004 \$
Financial assets		
Cash at bank and on hand	96,570	71,347
Deposits at call	621,676	365,218
Term deposits	1,618,457	2,012,155
Notes and debentures	2,500,000	1,500,000
	4,836,703	3,948,720

Financial liabilities

Nil

**The Construction, Forestry, Mining and Energy Union
Industrial Union of Employees, Queensland**

Notes to the Financial Statements for the year ended 31 December 2005

Note 21: Financial instruments contd

(c) 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 of those assets, net of any provisions for doubtful debts, as disclosed in the Balance Sheet and notes to the financial statements.

(d) Net fair values

The net fair values of listed investments have been valued at the quoted market bid price at balance date. 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 Union intends to hold these assets to maturity.

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

Note 22: Union details

The principal place of business of the Union is:

Construction, Forestry, Mining and Energy Union, Industrial Union of Employees,
Queensland
366 Upper Roma Street
Brisbane Qld 4000

The Construction, Forestry, Mining and Energy Union
Industrial Union of Employees, Queensland

Accounting Officer's Certificate for the year ended 31 December 2005

(Industrial Relations Act 1999)

I, William Wallace Trohear, being the officer responsible for keeping the accounting records of the Construction, Forestry, Mining and Energy Union, Industrial Union of Employees, Queensland, certify that as at 31 December 2005 the number of members of the organisation was as follows:

number of financial members	7,007
number of non-financial members	3,532

and, in my opinion:

- (i) the financial statements show a true and fair view of the financial affairs of the organisation as at the end of the financial year;
- (ii) a record has been kept of all monies paid by, or collected from, members of the organisation, and all monies so paid or collected have been credited to the bank account or accounts to which those monies are to be credited, in accordance with the rules of the organisation;
- (iii) before any expenditure was incurred by the organisation, approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation;
- (iv) no payment was made from any fund or special account for a purpose other than the purpose for which the fund or account was established. Any payments made were approved under the rules of the organisation.
- (v) any loans or other financial benefits given to employees or officers of the organisation were allowed under the organisation's rules; and
- (vi) the register of members of the organisation was maintained in accordance with the Act.

Signed at Brisbane,

Dated this 2nd day of March 2006.



William Wallace Trohear
State Secretary

**The Construction, Forestry, Mining and Energy Union
Industrial Union of Employees, Queensland**

Management Committee Certificate for the year ended 31 December 2005

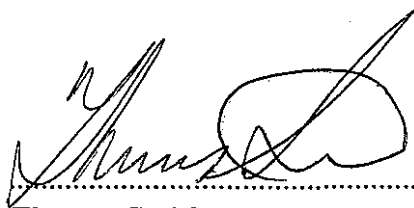
(Industrial Relations Act 1999)

We, Thomas Smith and Bradley Daniel being two members of the Committee of Management of the Construction, Forestry, Mining and Energy Union, Industrial Union of Employees, Queensland do state on behalf of the Committee and in accordance with a resolution passed by the Committee that:

- (i) in our opinion, the financial statements show a true and fair view of the financial affairs of the organisation as at the end of the financial year to which the statements relate;
- (ii) in our opinion, the organisation was solvent during the whole of the year and at the date of this statement the organisation is able to pay its debts as and when they fall due;
- (iii) in our opinion, during the financial period to which the statements relate, meetings of the Committee of Management were held in accordance with the rules of the organisation;
- (iv) to the knowledge of any member of the Committee, there have been, during the financial period to which the statements relate, no instances where records or rules of the organisation or other documents (not being documents containing information made available to a member of the organisation under section 556 of the Act), or copies of those records, rules or other documents, have not been given to members of the organisation in accordance with the Act, the Regulations made under the Act, or the rules of the organisation;
- (v) the audit report and financial statements of the organisation for the financial year immediately before the year to which these financial statements relate have been:
 - (a) presented to a general meeting of the organisation in accordance with section 565 of the Act; and
 - (b) given to the members of the organisation in accordance with section 566 of the Act.

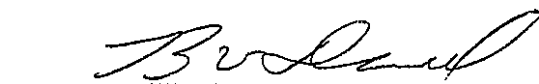
Signed at Brisbane,

Dated this.....2nd.....day ofMarch..... 2006.



.....

Thomas Smith



.....

Bradley Daniel

**The Construction, Forestry, Mining and Energy Union
Industrial Union of Employees, Queensland**

Independent Audit Report to the members

Scope

I have audited the financial statements, being a special purpose financial report of the Construction, Forestry, Mining and Energy Union, Industrial Union of Employees, Queensland for the year ended 31 December 2005, being the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements. The Union's Committee of Management is responsible for the financial statements and has determined that the accounting policies used and described in Note 1 to the financial statements are appropriate to meet the requirements of the Industrial Relations Act 1999 and the needs of the members. I have conducted an independent audit of the financial statements in order to express an opinion on them to the members. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial statements have been prepared in order to fulfil the Committee of Management's financial reporting requirements under the *Industrial Relations Act 1999*. I disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

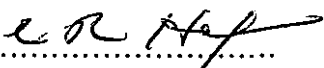
My audit has been conducted in accordance with Australian Auditing Standards. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statement, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with the accounting policies described in Note 1 so as to present a view which is consistent with our understanding of the Union's financial position and performance as represented by the results of its operations. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

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

Audit opinion

In my opinion:

- (a) the organisation kept satisfactory accounting records for the financial year, including records of:
 - (i) the sources and nature of the organisation's income, including income from members, and
 - (ii) the nature and reasons for the organisation's expenditure; and
- (b) the accounts and statements for the year were properly drawn to give a true and fair view of the organisation's:
 - (i) financial affairs at the end of the year, and
 - (ii) income and expenditure, and any surplus or deficit, for the year; and
- (c) the accounts and statements for the year were prepared in accordance with the Industrial Relations Act 1999; and
- (d) all the information and explanations that I required from the organisation's officers or employees were given.


.....
Colin Hopkins
Registered Company Auditor
Hopkins Henderson Accountants

Brisbane..... 3 April 2006

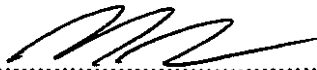
The Construction, Forestry, Mining and Energy Union
Industrial Union of Employees, Queensland
Secretary's Certificate

(Industrial Relations Act 1999)

I certify that the attached Financial Statements, including the Audit Report, for the year ended 31 December 2005 are those that were presented to a general meeting or Management Committee meeting of the Construction, Forestry, Mining and Energy Union, Industrial Union of Employees, Queensland held on 27 June 2006.

Signed at Brisbane,

Dated this.....27th.....day of.....JUNE..... 2006.



.....
Michael John Ravbar
Acting State Secretary



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 Michael O'Connor
National Secretary, FFPD Division
Construction, Forestry, Mining and Energy Union
PO Box 661
CARLTON SOUTH VIC 3053

Dear Mr O'Connor

**Re: Financial Statements – FFPD Division, Queensland FFTS Branch – for year ending
31 December 2005 (FR2005/562)**

Thank you for lodging the financial documents of the CFMEU Industrial Union of Employees, Queensland which were received today and added to the file.

As the legislative requirements for the above financial return appear to have been met, the financial statements have been filed and no further action is necessary.

Yours sincerely,

A handwritten signature in black ink that reads 'Stephen Kellett'.

Stephen Kellett
Statutory Services Branch

31 August 2006