



**AUSTRALIAN INDUSTRIAL REGISTRY**

Level 8, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 6990

**Ref: FR2002/805-[105N-NSW]**

Mr Andrew Ferguson  
Divisional Branch Secretary  
NSW Divisional Branch  
Construction & General Division  
CFMEU  
Locked Bag 1  
LIDCOMBE PO NSW 1825

Dear Mr Ferguson

**Re: CFMEU - Construction and General Division, NSW Divisional Branch  
Financial Reporting Obligations under *Workplace Relations Act 1996***

This is a courtesy letter to remind you of the financial reporting obligations of the abovenamed body under the *Workplace Relations Act 1996* ('the Act') for the financial year ended 31 December, 2002.

The legislative scheme set out in Part IX, Division 11 of the Act is directed at ensuring that a registered organisation or a branch of such an organisation discharges obligations of accountability to its members in relation to its financial affairs through proper and regular disclosure of financial information. The various steps of the financial reporting requirements must be carried out within the time-scales prescribed by the legislation so as to ensure the relevance of the financial information provided to the members.

Now that the financial year has ended, it is timely that you put in train the various steps of the financial reporting requirements. To assist you with this process I have enclosed for your information a notice summarising these requirements including the time-scales prescribed by the legislation. Please note that a branch of an organisation may be exempted from the obligations arising under Part IX, Division 11 in respect of a financial year by satisfying a Registrar that the branch did not have any financial affairs during the financial year. An application under subsection 271A(1) of the Act must be made within 90 days (unless extended by a Registrar) after the end of the financial year.

Please do not hesitate to contact me on (02) 8374 6618 if you wish to discuss the financial reporting requirements, especially if you anticipate any difficulty in meeting any step in the time-scales prescribed.

Yours sincerely

Belinda Penna  
E-mail: [belinda.penna@air.gov.au](mailto:belinda.penna@air.gov.au)

6 February 2003



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Our ref: FR2002/805

Mr Andrew Ferguson  
Branch Secretary  
Construction & General Division  
NSW Divisional Branch  
CFMEU  
Locked Bag 1  
LIDCOMBE PO NSW 1825

Dear Mr Ferguson

**Re: CFMEU - Construction & General Division, NSW Divisional Branch  
Outstanding Financial Documents - *Workplace Relations Act 1996***

There is no record of lodgement in the Industrial Registry of the auditor's report, accounts and statements of the abovenamed body, prepared in accordance with Part IX, Division 11 of the *Workplace Relations Act 1996* ('the Act'), for the year ended 31 December 2002.

An organisation registered under the Act or a branch of such an organisation is required after the end of its financial year to prepare accounts and statements, obtain a report from the auditor, provide copies of the auditor's report, accounts and statements to its members, present the auditor's report, accounts and statements to a meeting of members or committee of management, and lodge copies in the Industrial Registry. Having in mind the time-scales allowed by the Act to complete each of these steps, lodgement of the required documents would, in the normal course, be expected before now.

Therefore, I request your written advice *by Monday 17 November 2003* as to when each of the following steps is expected to be completed:-

1. preparation of the accounts and statements in compliance with section 273
2. making of the audit report in compliance with section 276(4)
3. provision of copies of the auditor's report, accounts and statements to the members in compliance with sections 279(1) and (3)
4. presentation of the financial documents to a meeting of the members or the committee of management in compliance with sections 279(6) and (7) (*following provision of copies to the members as per step 3 above*)
5. lodgement of copies of the financial documents in the Industrial Registry under cover of a certificate by you in compliance with section 280(1) - such certificate should confirm that the documents so lodged are copies of the documents presented to the meeting referred to in step 4 above - the type of meeting and the date when it was held should be specified.

If you would like to discuss this letter please contact me on (02) 8374 6618, or by email to [belinda.penna@air.gov.au](mailto:belinda.penna@air.gov.au).

Yours sincerely

Belinda Penna  
for Deputy Industrial Registrar

31 October 2003

**SUMMARY OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2002**  
(Continued)

**INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of Sub-sections (1), (2) and (3) of Section 274 which read as follows:

A member of an organisation, or a Registrar, may apply to the organisation for a specified prescribed information in relation to the organisation.

- ② An organisation shall, on application made under Sub-section (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such a manner, and within such time, as is prescribed.

A Registrar may only make an application under Sub-section (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

**AUDITORS CERTIFICATE**

We certify that the above summary is a fair and accurate of the Report, Accounts and Statements of the Construction, Forestry, Mining and Energy Union Construction and General Division – NSW Divisional Branch for the year ended 31 December 2002. Our Auditor's Report to the members dated *5th August*, 2003 on the Financial Report, did not contain any particulars of any deficiency, failure or shortcoming as referred to in the Workplace Relations Act 1996.

*Daley & Co.*  
.....  
**DALEY & CO**  
Chartered Accountants  
Wollongong NSW

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

Dated this *5<sup>th</sup>* day of *August*, 2003.

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

**SUMMARY OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2002**

The financial report of the Construction, Forestry, Mining and Energy Union, Construction and General Division – NSW Divisional Branch has been audited in accordance with the provisions of the Workplace Relations Act 1996, and the following summary is provided for members in accordance with Section 279 (2) of the Act.

A copy of the Financial Report, including the Auditor's Report and Statements, will be supplied free of charge to members who request the same.

Certificates required to be given under the Act by the Accounting Officer and the Committee of Management have been completed in accordance with the provisions of the Act and contain no qualifications.

**INCOME AND EXPENDITURE  
FOR THE YEAR ENDING 31 DECEMBER 2002**

	<b>2002</b>	<b>2001</b>
	<b>\$</b>	<b>\$</b>
Membership Contributions	6,701,971	6,404,539
Other Income	5,926,410	2,236,258
<b>TOTAL INCOME</b>	<b>12,628,381</b>	<b>8,640,797</b>
<b>LESS TOTAL EXPENDITURE</b>	<b>9,539,773</b>	<b>8,003,378</b>
<b>SURPLUS FOR THE YEAR</b>	<b>3,088,608</b>	<b>637,419</b>

**STATEMENT OF FINANCIAL POSITION AS AT 31  
DECEMBER 2002**

<b>ACCUMULATED FUNDS</b>	<b>23,013,587</b>	<b>19,924,979</b>
Represented by:		
Current Assets	12,470,474	7,916,775
Non-Current Assets	13,557,625	14,205,876
<b>TOTAL ASSETS</b>	<b>26,028,099</b>	<b>22,122,651</b>
<b>TOTAL LIABILITIES</b>	<b>3,014,512</b>	<b>2,197,672</b>
<b>NET ASSETS</b>	<b>23,013,587</b>	<b>19,924,979</b>

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2002**

EXPENDITURE (Continued)	NOTE	2002 \$	2001 \$
Carried Over From Previous Page		3,028,622	2,170,451
Provision for Doubtful Debts		-	(77,867)
Provision for L.S.L.		53,710	46,888
Provision for Other Employee Entitlements		6,087	19,269
Redundancy		149,690	147,448
Rallies & Marches		62,997	24,030
Rates & Taxes		17,357	13,753
Rent Paid		123,600	256,276
Repairs & Maintenance – Buildings		27,968	23,333
Repairs & Maintenance – Equipment		6,766	5,140
Retired Members		8,717	8,274
Salaries & Wages		4,387,884	3,776,503
Security Services		1,885	10,640
Seminars & Conferences		4,833	5,034
Staff Amenities		13,837	10,398
Staff Training		10,722	10,666
State Council & Committee of Management		6,881	12,421
Subscriptions		42,625	15,667
Superannuation		499,498	478,506
Sustentation Fees		760,816	738,177
Telephone & Communications		225,335	222,250
Travel & Accommodation		82,905	42,906
General Office Expenses		17,038	43,215
<b>TOTAL EXPENDITURE</b>		<u>9,539,773</u>	<u>8,003,378</u>
<b>OPERATING (LOSS) SURPLUS FOR THE YEAR BEFORE NON RECCURING ITEMS, GRANT ADMINISTRATION FEES AND TRUST DISTRIBUTION</b>		<u>(1,016,659)</u>	<u>163,154</u>
Grant Administration Fees Received		-	4,229
OH & S Trust Distribution	1(g)	<u>320,267</u>	<u>297,569</u>
<b>OPERATING (LOSS) SURPLUS FOR THE YEAR BEFORE NON RECURRING ITEMS</b>		<u>(696,392)</u>	<u>464,952</u>
<b>NON RECURRING ITEMS</b>			
Profit on Sale of Property		<u>3,785,000</u>	<u>172,467</u>
<b>OPERATING SURPLUS FOR THE YEAR AFTER NON RECURRING ITEMS</b>		<u>3,088,608</u>	<u>637,419</u>

The accompanying notes form part of this financial report

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2002**

	<b>2002</b>	<b>2001</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
Contributions	6,701,971	6,404,539
Interest Received	367,357	475,777
Investment Income	403,301	130,547
Rents Received and Building Outgoings	378,837	245,029
Medical Report Reimbursements	-	2,740
CFMEU Fighting Fund	33,325	113,729
Picnic Sponsorships	160,995	120,654
Profit on Disposal of Non-Current Assets	20,697	71,001
Service Payment Receipts (FFTS)	41,298	165,057
Sundry Income	415,333	437,459
<b>TOTAL INCOME</b>	<b>8,523,114</b>	<b>8,166,532</b>
<b>EXPENDITURE</b>		
Audit Fees	44,887	33,708
Advertising & Publicity Expenses	130,287	76,155
Affiliation Fees	169,836	65,111
Bad Debts Written Off	19,557	-
Bank Fees & Charges	39,481	41,855
Consultancy Fees	5,335	24,171
Cleaning Expenses	27,677	35,715
Commission – Delegates	48,606	47,560
Computer Software & Support	10,966	15,680
Copier & Fax Expenses	27,356	32,845
Couriers & Freight	6,558	7,273
Depreciation	519,649	421,817
Donations	21,720	47,124
Electricity	57,043	36,210
Fringe Benefits Tax	17,281	12,652
Functions	32,241	28,807
Funeral Benefits Expenses	7,336	15,086
Insurance	127,669	73,124
Land Tax	10,000	-
Legal Fees	406,342	90,689
Levies	10,669	-
Loss on Disposal of Fixed Assets	1,428	1,189
Motor Vehicle Expenses	286,380	332,237
Payroll Tax	268,329	224,568
Picnic Expenses	163,598	151,125
Placement Fees	13,362	-
Postage, Printing & Stationery	232,875	121,246
Printing/Postage/Production of Unity	216,928	196,397
Provision for Annual Leave	105,226	38,107
<b>Brought Forward Over Page</b>	<b>3,028,622</b>	<b>2,170,451</b>

The accompanying notes form part of this financial report

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

### 20. SPECIFIED INFORMATION

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the following provisions for the Act:

S274

- ❶ A member of an organisation, or Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- ❷ An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such a manner, and within such time, as prescribed.
- ❸ A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the registrar shall provide to a member information received because of an application made at the request of the member.

### 21. RELATED PARTY INFORMATION

#### (a) MEMBERS OF THE COMMITTEE OF MANAGEMENT

Persons holding executive positions within the Union and as members of the Committee of Management during the year:

Mr Peter McClelland	- President
Mr Andrew Ferguson	- Secretary
Mr Brian Parker	- Assistant Secretary
Mr Peter Zaboyak	- Assistant Secretary

Persons holding honorary positions as members of the Committee of Management during the year:

L Quill	J Pineiro	M Foster
G Coenen (Ceased 13.8.02)	C Brokenborough	D Milutin
A Melnikoff	A Popovic	N Botic
A Zdrilic	T Morrison	B Gay
D Pilarinos	L Tobler	B Hemsworth
G Ioannou	M Jones	R Cook
L Strutzenberger	P Genovese	W Docherty
M Barrios	J Magee	M McBride
I Smith (Ceased 12.3.02)	T Grover (Commenced 13.8.02)	D Giffin (Commenced 12.3.02)

#### (b) RELATED PARTY TRANSACTIONS

Sustentation fees paid to the Construction, Forestry, Mining and Energy Union, Federal Office during the year totalled \$760,816 (2001: \$738,177).

**NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2002**

**18. CAPITAL AND LEASING COMMITMENTS**

**(a) OPERATING LEASE COMMITMENTS**

An operating lease commitment existed in respect of the sub – lease of floor area within the premises situated at Wentworth Avenue, Sydney. Since July 2002 the Union is operating from substantially reduced floor space at this location on monthly tenancy. The maximum amount committed plus the maximum option is as follows:-

	2002	2001
	\$	\$
The total operating lease commitment is:-		
• Due within 1 year	-	31,178
	<u>                    </u>	<u>                    </u>

**(b) CAPITAL EXPENDITURE COMMITMENTS**

Capital expenditure commitments contracted for at the balance date.

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

**19. CONTINGENT LIABILITIES**

Estimates of the maximum amounts of contingent liabilities that may become payable in respect of:-

- Legal proceedings against the Union in District Court and Federal Court for alleged breaches of Workplace Relations Act. The Union is defending the actions.	40,000	-
- O H & S prosecution by the Union against other parties, which if unsuccessful could result in the Union having to pay legal costs.	20,000	-
	<u>60,000</u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2002**

	NOTE	2002 \$	2001 \$
<b>17. CASH FLOW INFORMATION</b>			
<b>(a) RECONCILIATION OF CASH</b>			
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Bank Overdraft	8	(157,834)	-
Cash at Bank	3	61,831	944,158
<b>BALANCE PER STATEMENT OF CASH FLOWS</b>		<u>(96,003)</u>	<u>944,158</u>
<b>(b) RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>			
<b>Operating Surplus for the Year</b>		3,088,608	637,419
Depreciation		519,648	421,817
Investment Income – Non Cash Distribution		(8,560)	(120,473)
(Profit)/Loss on Disposal of Property, Plant & Equipment		(3,804,269)	(242,279)
<b>Changes in Assets and Liabilities</b>			
(Increase)/Decrease in Debtors		54,936	62,670
(Increase)/Decrease in Other Receivables		(398,219)	234,934
(Increase)/Decrease in Prepayments		(46,350)	4,011
Increase/(Decrease) in Creditors		485,458	49,680
Increase/(Decrease) in Employee Provisions		165,023	100,493
Increase/(Decrease) in Other Provisions		260,000	(77,867)
Increase/(Decrease) in Other Liabilities		(320,267)	(297,569)
Increase/(Decrease) in Monies in Trust		61,883	(66,328)
Increase/(Decrease) in Grants		6,909	(47,119)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<u>64,800</u>	<u>659,389</u>
<b>(c) STANDBY ARRANGEMENTS AND UNUSED CREDIT FACILITIES</b>			
Standby arrangements with the Union's bankers to provide funds and support facilities comprise:			
Other Short-Term Credit			
• Limit		-	-
• Amount Utilised		-	-
<b>UNUSED CREDIT FACILITY</b>		<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2002**

	NOTE	2002 \$	2001 \$
<b>13. ACCUMULATED MEMBERS' FUNDS</b>			
Accumulated Funds at Start of Year		19,924,979	18,691,959
Transfer from Asset Revaluation Reserve	12	-	595,601
Net profit attributable to Members		3,088,608	637,419
Accumulated Funds at End of Year		<u>23,013,587</u>	<u>19,924,979</u>

**14. SALARIES**

The following analysis of salaries paid during the year is given in compliance with the requirements of the Industrial Relations Act, 1991:

Paid to Office Holders	238,498	238,866
Paid to Employees	4,149,386	3,537,637
	<u>4,387,884</u>	<u>3,776,503</u>

**15. AUDITORS' REMUNERATION**

Amounts received, or due and receivable by the auditors for:

• Auditing	23,000	23,000
• Other Services	21,887	10,708
TOTAL	<u>44,887</u>	<u>33,708</u>

**16. GRANTS**

Unexpended Grants Brought Forward (Net)	70,606	117,725
Grants Received	75,000	6,541
Grant Expenditures	(68,091)	(53,660)
CLOSING UNEXPENDED GRANTS (NET)	<u>77,515</u>	<u>70,606</u>

Recorded as:

Unexpended Grants Carried Forward	11(a)	<u>77,515</u>	<u>70,606</u>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2002**

		2002 \$	2001 \$
<b>10. PROVISIONS</b>			
<b>(a) Current</b>			
Provision for Annual Leave		623,759	518,533
Provision for Long Service Leave		435,279	377,052
Provision for Other Employee Entitlements		56,474	50,387
Other Provision		260,000	-
		<u>1,375,512</u>	<u>945,972</u>
<b>(b) Non-Current</b>			
Provision for Long Service Leave		<u>95,932</u>	<u>100,449</u>
<b>(c) Number of Employees at Balance Date</b>		<u>85</u>	<u>84</u>
<b>11. OTHER LIABILITIES</b>			
<b>(a) Current</b>			
Funds Held in Trust		305,413	243,530
Unexpended Grants Carried Forward	15	77,515	70,606
OH&S Trust Distribution Carried Forward	1(g)	49,793	300,000
		<u>432,721</u>	<u>614,136</u>
<b>(b) Non-Current</b>			
OH&S Trust Distribution Carried Forward	1(g)	<u>-</u>	<u>70,060</u>
<b>12. ASSET REVALUATION RESERVE</b>			
Opening Balance		-	595,601
Movement During Year:-			
Transfer to Accumulated Funds	12	-	(595,601)
Closing Balance		<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2002**

	2002 \$	2001 \$
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
(Continued)		
<b>Furniture, Fittings and Equipment</b>		
At Cost	1,421,831	1,278,726
Provision for Depreciation	<u>(957,207)</u>	<u>(836,575)</u>
	<u>464,624</u>	<u>442,151</u>
<b>Motor Vehicles</b>		
At Cost	1,391,002	1,362,875
Provision for Depreciation	<u>(516,735)</u>	<u>(547,611)</u>
	<u>874,267</u>	<u>815,264</u>
	<u>11,695,326</u>	<u>12,356,180</u>

**(d) Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year:-

	LAND \$	BUILDINGS \$	FURNITURE, FITTINGS & EQUIPMENT \$	MOTOR VEHICLES \$	TOTAL \$
Balance at Start of Year	2,852,952	8,245,813	442,151	815,264	12,356,180
Additions	-	51,135	143,166	377,451	571,752
Disposals	(625,000)	-	(4,040)	(83,918)	(712,958)
Depreciation/Amortisation	-	(168,465)	(116,653)	(234,530)	(519,648)
Carrying Amount – End of Year	<u>2,227,952</u>	<u>8,128,483</u>	<u>464,624</u>	<u>874,267</u>	<u>11,695,326</u>

**8. INTEREST BEARING LIABILITIES**

Bank Overdraft	<u>157,834</u>	<u>-</u>
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**9. ACCOUNTS PAYABLE**

Payables	<u>952,513</u>	<u>467,055</u>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2002**

	2002 \$	2001 \$
<b>6. OTHER CURRENT ASSETS</b>		
Prepayments	<u>275,493</u>	<u>229,143</u>
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>LAND AND BUILDINGS</b>		
<b>MOUNT DRUITT PROPERTY: WOODSTOCK AVENUE</b>		
At Deemed Cost – Land	<u>-</u>	<u>625,000</u>
<b>LIDCOMBE PROPERTY: 6-8 RAILWAY STREET</b>		
At Cost – Land	549,494	549,494
– Building	<u>777,551</u>	<u>728,166</u>
	1,327,045	1,277,660
Provision for Depreciation	<u>(77,592)</u>	<u>(62,467)</u>
	<u>1,249,453</u>	<u>1,215,193</u>
<b>LIDCOMBE PROPERTY: 12 RAILWAY STREET</b>		
At Cost – Land	1,678,458	1,678,458
– Building	<u>7,666,990</u>	<u>7,665,240</u>
	9,345,448	9,343,698
Provision for Depreciation	<u>(238,466)</u>	<u>(85,126)</u>
	<u>9,106,982</u>	<u>9,258,572</u>
<b>NET WRITTEN DOWN VALUE – LAND &amp; BUILDINGS</b>	<u>10,356,435</u>	<u>11,098,765</u>
<b>Land</b>		
At Cost	<u>2,227,952</u>	<u>2,852,952</u>
<b>Buildings</b>		
At Cost	8,444,541	8,393,406
Provision for Depreciation	<u>(316,058)</u>	<u>(147,593)</u>
	<u>8,128,483</u>	<u>8,245,813</u>
<b>TOTAL LAND AND BUILDINGS</b>	<u>10,356,435</u>	<u>11,098,765</u>

**NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2002**

	2002 \$	2001 \$
<b>2. OPERATING RESULT FROM ORDINARY ACTIVITIES</b> (Continued)		
<b>(b) EXPENSES:</b>		
Depreciation of Property, Plant & Equipment	519,648	421,817
Doubtful Debts Provision	-	(77,867)
Movement in Employee Entitlements	165,023	104,264
Written Down Value of Assets Disposed	712,958	288,827
<b>3. CASH</b>		
Cash on hand	13,100	11,100
Cash at bank	48,731	933,058
	<u>61,831</u>	<u>944,158</u>
<b>4. RECEIVABLES</b>		
Debtors	169,128	224,064
Provision for Doubtful Debts	(50,000)	(50,000)
	<u>119,128</u>	<u>174,064</u>
Other Receivables	498,001	99,782
	<u>617,129</u>	<u>273,846</u>
<b>5. INVESTMENTS</b>		
<b>(a) Current</b>		
Commercial Bills and Term Deposits	<u>11,516,021</u>	<u>6,469,628</u>
<b>(b) Non Current</b>		
Shares in Unlisted Entities – At Cost	234,508	240,466
Less: Provisions for Diminution in Value	(145,813)	(145,813)
	88,695	94,653
Loans and Advances	1,771,558	1,752,997
Shares in Listed Entities – At Cost	2,046	2,046
	<u>1,862,299</u>	<u>1,849,696</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2002**

**1. STATEMENT OF ACCOUNTING POLICIES**

(Continued)

(h) COMPARATIVE FIGURES

Where required, comparative figures have been adjusted to conform with changes in presentation in the current financial year.

(i) GOODS AND SERVICES TAX

Revenues, expenses and fixed assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable. 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.

The net amount of GST recoverable from, or payable to the Australian Taxation Office (ATO) is included as a current asset or liability in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to the ATO are classified as operating cash flows.

	2002 \$	2001 \$
<b>2. OPERATING RESULT FROM ORDINARY ACTIVITIES</b>		
The surplus from ordinary activities is arrived at after taking into account:		
<b>(a) REVENUE:</b>		
<i>Ordinary Activities</i>		
Membership Contributions	6,701,971	6,404,539
Picnic Sponsorships	160,995	120,654
CFMEU Fighting Fund Receipts	33,325	113,729
Service Payment Receipts (FFTS)	41,298	165,057
Interest Received	367,357	475,777
Investment Income	403,301	130,547
Rents Received	378,837	245,029
Other Income	415,333	441,389
	8,502,417	8,096,721
<i>Non-Operating Activities</i>		
Proceeds on Disposal of Assets	4,517,227	531,106
Grant Administration Fees Received	-	4,229
O H & S Trust Distribution	320,267	297,569
	4,837,494	832,904
	13,339,911	8,929,625

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2002**

**1. STATEMENT OF ACCOUNTING POLICIES**

(Continued)

(c) 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.

(d) OUTSTANDING CONTRIBUTIONS

Union Contributions are accounted for on a cash receipts basis as opposed to the financial report which is prepared on an accrual basis.

(e) GRANTS

The Union receives grant funding from various sources for varying purposes. All funds received are isolated in the Statement of Financial Position, from which all expenditures are made. Given that the grant projects generally have an operating period that differs from the financial year-end, amounts are carried forward in the statement of financial position:

- as an asset where expenditures exceed funding received to the balance date and where such expenditures are recoverable under the Terms of the Grant. Refer to Note 4, "Grants Receivable".
- as a liability where funding received exceeds expenditures to the balance date and the grant is ongoing. Refer to Note 11, "Unexpended Grants Carried Forward".

(f) DEBTORS

Bad debts are written off by a charge against the provision for doubtful debts during the period in which they are identified as bad. Provision is made for doubtful debts and is based on an inspection and assessment of all debts outstanding. Adjustments are made for any outstanding returns, credit notes and allowances in arriving at the debtor balance.

(g) OCCUPATIONAL HEALTH AND SAFETY TRUST DISTRIBUTION

During the 1997 financial year the Union received a trust distribution of \$1,625,871 for which specific conditions are attached. The trust distributions shall only be applied to the following:

- for the establishment, maintenance and improvement of training schemes for workers employed in the building industry in NSW and/or the ACT;
- for the establishment, maintenance and improvement of health and safety facilities for workers employed in the building industry in the NSW and/or the ACT.

Given the conditions associated with the trust distribution, it is anticipated that the monies will be expended over a number of future accounting periods. Consequently, the unexpended portion of the trust distribution has been carried forward in the Statement of Financial Position as a liability per Note 11. Amounts expected to be expended within twelve months of the balance date are recorded as current liabilities.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

### 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, 1966.

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 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%
Furniture, Fittings and Equipment	10 - 20%
Motor Vehicles	20%

#### (b) EMPLOYEE ENTITLEMENTS

Provision is made in respect of the Union's liability for annual leave, accrued roster 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 with more than 5 years service. Related on-costs are included in these provisions.

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

**STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 31 DECEMBER 2002**

	NOTE	2002 \$	2001 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Members and Customers		8,133,580	8,218,173
Payments to Suppliers and Employees		(8,894,203)	(8,530,966)
Interest Received		367,357	475,777
Sundry Income		458,066	496,405
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	17(b)	<u>64,800</u>	<u>659,389</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for Property, Plant and Equipment		(571,752)	(6,219,455)
Proceeds from Sale of Property, Plant and Equipment		4,517,227	531,106
Net Increase/(Decrease) in Investments		(5,050,436)	5,346,698
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<u>(1,104,961)</u>	<u>(341,651)</u>
<b>NET INCREASE / (DECREASE) IN CASH HELD</b>		(1,040,161)	317,738
<b>CASH AT THE START OF THE FINANCIAL YEAR</b>		<u>944,158</u>	<u>626,420</u>
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	17(a)	<u>(96,003)</u>	<u>944,158</u>

The accompanying notes form part of this financial report

**STATEMENT OF FINANCIAL POSITION  
 AS AT 31 DECEMBER 2002**

	NOTE	2002 \$	2001 \$
<b>CURRENT ASSETS</b>			
Cash	3	61,831	944,158
Receivables	4	617,129	273,846
Investments	5(a)	11,516,021	6,469,628
Other	6	275,493	229,143
<b>TOTAL CURRENT ASSETS</b>		<b>12,470,474</b>	<b>7,916,775</b>
<b>NON-CURRENT ASSETS</b>			
Investments	5(b)	1,862,299	1,849,696
Property, Plant and Equipment	7	11,695,326	12,356,180
<b>TOTAL NON-CURRENT ASSETS</b>		<b>13,557,625</b>	<b>14,205,876</b>
<b>TOTAL ASSETS</b>		<b>26,028,099</b>	<b>22,122,651</b>
<b>CURRENT LIABILITIES</b>			
Interest Bearing Liabilities	8	157,834	-
Accounts Payable	9	952,513	467,055
Provisions	10(a)	1,375,512	945,972
Other	11(a)	432,721	614,136
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,918,580</b>	<b>2,027,163</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	10(b)	95,932	100,449
Other	11(b)	-	70,060
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>95,932</b>	<b>170,509</b>
<b>TOTAL LIABILITIES</b>		<b>3,014,512</b>	<b>2,197,672</b>
<b>NET ASSETS</b>		<b>23,013,587</b>	<b>19,924,979</b>
<b>EQUITY</b>			
Accumulated Members' Funds	13	23,013,587	19,924,979

The accompanying notes form part of this financial report

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2002**

	NOTE	2002 \$	2001 \$
<b>Revenue from Ordinary Activities</b>	2(a)	<u>13,339,911</u>	<u>8,929,625</u>
<b>Expenses from Ordinary Activities</b>			
Wages and Related Costs		(5,470,424)	(4,765,007)
Depreciation Expense		(519,649)	(421,817)
Other Expenses		(3,548,272)	(2,816,555)
Written Down Value of Assets Sold		<u>(712,958)</u>	<u>(288,827)</u>
		<u>(10,251,303)</u>	<u>(8,292,206)</u>
<b>Net Profit from Ordinary Activities Attributable to Members</b>	12	<u>3,088,608</u>	<u>637,419</u>

The accompanying notes form part of this financial report

## INDEPENDENT AUDIT REPORT TO THE MEMBERS

### SCOPE

We have audited the financial report comprising the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and Notes to the Financial Statements of the Construction Forestry Mining and Energy Union – Construction and General Division, New South Wales Divisional Branch ("the Union") for the year ended 31 December 2002. The Union's Committee of Management and Accounting Officer 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 Australian Accounting Standards, other mandatory professional reporting requirements and statutory 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:

- (a) Satisfactory accounting records have been kept by the Union so far as appears from our examination of these books, including:
  - (i) records of the sources and nature of the income of the Union (including income from members); and
  - (ii) records of the nature and purpose of the expenditure of the Union.
- (b) The financial report required to be prepared under Section 273 of the Workplace Relations Act 1996 has been properly drawn up so as to give a true and fair view of:
  - (i) the financial affairs of the Union as at 31 December 2002; and
  - (ii) the income and expenditure, and result of the Union for the year ended on that date.
- (c) The financial report has been prepared in accordance with Accounting Standards and other mandatory professional reporting requirements.

We have where necessary, obtained all the information and explanations that, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

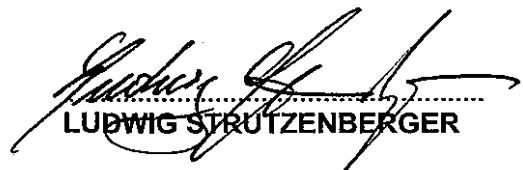
Dated this *5<sup>th</sup>* day of *August* 2003.

## COMMITTEE OF MANAGERMENTS' CERTIFICATE

We, **PETER MCCLELLAND** and **LUDWIG STRUTZENBERGER**, being two members of the Committee of Management of the Construction Forestry Mining and Energy Union – Construction and General Division, New South Wales Divisional Branch ("the Union"), do state on behalf of the Committee and in accordance with a resolution passed by the Committee that;

- (i) In the opinion of the Committee of Management, the attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2002; and
- (ii) In the opinion of the Committee of Management, meetings of the Committee were held during the year ended 31 December 2002 in accordance with the rules of the Union; and
- (iii) To the knowledge of any member of the Committee, there have been no instances where records of the Union or other documents (not being documents containing information made available to a member of the Union under sub-section 274(1) of the Workplace Relations Act 1996), or copies of those records or documents, or copies of the rules of the Union, have not been furnished, or made available, to members in accordance with the requirements of the Workplace Relations Act 1996, as amended, the Regulations thereto, or the rules of the Union; and
- (iv) The Union has complied with Sections 279 (1) and 279 (6) of the Act in relation to the financial report in respect of the preceding financial year, and the Independent Audit Report thereon.

  
.....  
**PETER MCCLELLAND**

  
.....  
**LUDWIG STRUTZENBERGER**

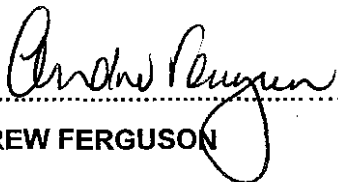
Dated this 5<sup>th</sup> day of Aug. 2003.

## ACCOUNTING OFFICER'S CERTIFICATE

I, **ANDREW FERGUSON**, being the Officer responsible for keeping the accounting records of the Construction Forestry Mining and Energy Union – Construction and General Division, New South Wales Divisional Branch ("the Union") certify that as at 31 December 2002, the number of financial members of the Union was 18,810.

In my opinion,

- (i) The attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2002;
- (ii) A record has been kept of all the monies paid by, or collected from members and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the Union;
- (iii) Before any expenditure was incurred by the Union, approval of the incurring of the expenditure was obtained in accordance with the rules of the Union;
- (iv) With regard to funds of the Union raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
- (v) No loans or other financial benefits, other than remuneration in respect of their full-time employment with the Union, were made to persons holding office in the Union;
- (vi) The register of members of the Union was maintained in accordance with the Act.



.....  
**ANDREW FERGUSON**

Dated this *5<sup>th</sup>* day of *August*, 2003.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION  
NSW DIVISIONAL BRANCH**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2002**

**CONTENTS**

1	Accounting Officer's Certificate
2	Committee of Managements' Certificate
3	Independent Audit Report to the Members
4	Statement of Financial Performance
5	Statement of Financial Position
6	Statement of Cash Flows
7-17	Notes to the Financial Statements
18-19	Detailed Statement of Financial Performance
20-21	Summary of Financial Report



# CONSTRUCTION FORESTRY MINING AND ENERGY UNION

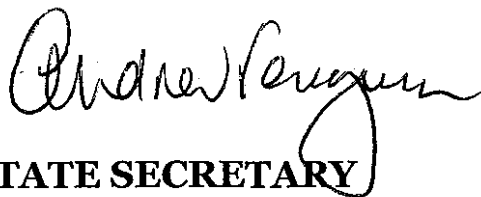
## CONSTRUCTION AND GENERAL DIVISON

### NSW DIVISIONAL BRANCH

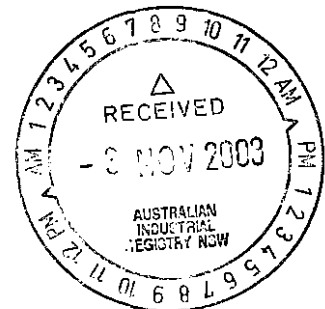
FOR YEAR ENDED 31<sup>ST</sup> DECEMBER, 2002

### CERTIFICATE BY STATE SECRETARY

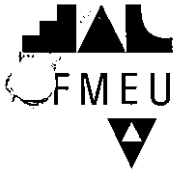
In pursuance of the provisions of Section 280 (1)(b) of the Workplace Relations Act 1996, I, Andrew Ferguson certify that the attached copies of the auditors report, accounts and statements of the Construction, Forestry Mining and Energy Union, Construction and General Division, NSW Divisional Branch, for the year ended 31<sup>st</sup> December, 2002, were presented to the Committee of Management of the Union on 23<sup>rd</sup> September, 2003,. The accounts were published in the September, 2003 edition of the Unions journal.



**STATE SECRETARY**  
*CONSTRUCTION FORESTRY  
MINING AND ENERGY UNION,  
CONSTRUCTION & GENERAL DIVISION  
NSW DIVISIONAL BRANCH*



24 SEP 2003



Level 2, 15 Wentworth Ave  
SYDNEY NSW 2000  
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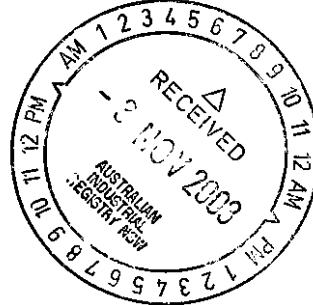
**Construction Forestry Mining & Energy Union**

**Construction & General Division**

**Federal Office**

TR/nd.returns

30th October, 2003



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, N S W Divisional Branch, for the year ending 31st December, 2002.

Please confirm receipt at your earliest convenience.

Yours faithfully,

TOM ROBERTS  
National Industrial Officer

Encl.



## AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 6990

Mr Tom Roberts  
National Industrial Officer  
CFMEU Construction and General Division  
PO Box Q235  
QVB NSW 1230

Dear Mr Roberts

**Re: Financial Statements for CFMEU, Construction and General Division, NSW  
Divisional Branch for the year ended 31 December 2002 (FR 2002/805)**

The Registry has received your letter of 30 October 2003 enclosing the financial returns for this organisation for the year specified.

These documents have now been filed.

I note that the Accounting Officer's Certificate dated 5 August 2003 states that the number of financial members of the union at 31 December 2002 was 18,810. This is the same number of members the Accounting Officer certified for 31 December 2001 in his certificate included in last year's financial return.

I would be grateful if you could confirm in writing that the figure for 31 December 2002 is indeed the same. If the Accounting Officer wishes to amend this figure, he should do so by letter addressed to the Deputy Industrial Registrar.

If you have any enquiries regarding this matter, please contact me on (02) 8374 6509.

Yours sincerely,

Peter McKerrow  
Assistant Manager

11 November 2003



Construction Forestry Mining & Energy Union  
**Construction & General Division**

New South Wales Divisional Branch

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12 Railway Street LIDCOMBE 2141  
Phone 02 9749 0400 • Fax 02 9649 7100 • Email: enquiries@nsw.cfmeu.asn.au  
Locked Bag 1 LIDCOMBE NSW 1825

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19<sup>th</sup> November 2003

Deputy Industrial Registrar  
Australian Industrial Registry  
Level 8, Terrace Towers  
80 William Street  
EAST SYDNEY NSW 2011



Dear Sir/Madam

**RE: Financial statements for CFMEU, Construction & General Division, NSW Divisional Branch for the year ended 31 December 2002 (FR 2002/805)**

I received your letter of 11<sup>th</sup> November 2003 regarding the number of financial members as stated on the Accounting Officers Certificate. Due to a clerical error this figure was the same as for last year's certificate. The correct figure is 18,622. Amendment of this record would be greatly appreciated.

Yours faithfully

ANDREW FERGUSON  
*State Secretary.*



**AUSTRALIAN INDUSTRIAL REGISTRY**

Level 8, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 6990

Mr Andrew Ferguson  
State Secretary  
CFMEU Construction and General Division  
NSW Divisional Branch  
Locked Bag 1  
LIDCOMBE NSW 1825

Dear Mr Ferguson

**Re: Amendment of Accounting Officer's Certificate - CFMEU, Construction and  
General Division, NSW Divisional Branch for the year ended 31 December 2002  
(FR 2002/805)**

Thank you for your letter of 19 November 2003. Your amendment of the accounting officer's certificate dated 5 August 2003 is noted. The number of financial members of the union as at 31 December 2002 will now be recorded as 18,622.

Yours sincerely,

Peter McKerrow  
Assistant Manager

25 November 2003