

TR/nd.returns

**CONSTRUCTION**

**FORESTRY**

**MINING**

**ENERGY**

**UNION**

23<sup>rd</sup> June, 2005

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

Dear Sir/Madam,

**Re: Financial Returns**

Please find enclosed herewith the financial returns of the Construction Forestry Mining and Energy Union, Construction & General Division, Queensland Branch, for the year ending 31st December, 2004.

Please confirm receipt at your earliest convenience.

Yours faithfully,

*Tom Roberts*

**TOM ROBERTS**  
National Legal Officer

Encl.



  
CONSTRUCTION &  
GENERAL DIVISION  
ABN 46 243 168 565

JOHN SUTTON  
National Secretary

**FEDERAL OFFICE**  
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15 WENTWORTH AVENUE  
SYDNEY NSW 2000

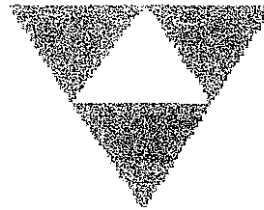
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**CFMEU**



**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION  
QUEENSLAND CONSTRUCTION WORKERS DIVISIONAL BRANCH**

**Financial Report**

**For the year ended 31 December 2004**

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**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Construction Workers Divisional Branch**

*Statement of Financial Performance for the year ended 31 December 2004*

	Note	2004 \$	2003 \$
<b>REVENUE</b>			
<i>Operating activities</i>			
Revenue as per FFTS administration agreement	3	86,471	85,516
Membership subscriptions		4,548,880	3,839,383
Compulsory levy - Royal Commission		24,312	119,187
Voluntary Levy - Tool Scheme		40,230	27,424
Grants Apprentice Scheme		201,923	199,890
<i>Non-operating activities</i>			
Interest		207,894	144,691
Proceeds from sale of fixed assets		147,455	220,489
Sundry income and reimbursement		258,724	264,724
<b>Total revenue from ordinary activities</b>		<b>5,515,889</b>	<b>4,901,304</b>
<b>EXPENDITURE</b>			
Affiliation Fees	4	533,967	496,027
Employee related costs	5	2,647,526	2,483,293
Grants Apprentice Scheme		201,923	199,890
Depreciation	6	202,267	177,630
Royal commission costs		-	17,635
Written down value of fixed assets disposed		149,920	221,065
Meeting costs	7	99,781	60,796
Other	8	1,036,664	881,124
<b>Total expenses from ordinary activities</b>		<b>4,872,048</b>	<b>4,537,460</b>
<b>Surplus from ordinary activities before income tax</b>		<b>643,841</b>	<b>363,844</b>
Income tax expense relating to ordinary activities	2	-	-
Surplus from ordinary activities after income tax expenses		643,841	363,844
<b>Net surplus attributable to the Union</b>	17	<b>643,841</b>	<b>363,844</b>
<b>Total changes in equity</b>		<b>643,841</b>	<b>363,844</b>

*The accompanying notes form part of this financial report.*

**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Construction Workers Divisional Branch**

*Statement of Financial Position as at 31 December 2004*

	Note	2004 \$	2003 \$
<b><i>Current assets</i></b>			
Cash assets	9	436,565	438,545
Investments	10	1,312,155	2,613,686
Receivables	11	71,997	59,518
Prepayments		112,832	56,853
<b>Total current assets</b>		<b>1,933,549</b>	<b>3,168,602</b>
<b><i>Non-current assets</i></b>			
Investments	10	2,226,425	27,480
Property, Plant and Equipment	12	1,201,514	1,178,395
<b>Total non-current assets</b>		<b>3,427,939</b>	<b>1,205,875</b>
<b>Total assets</b>		<b>5,361,488</b>	<b>4,374,477</b>
<b><i>Current liabilities</i></b>			
Payables	13	491,678	580,865
Provisions	14	796,939	712,703
Other	15	400,921	54,932
<b>Total current liabilities</b>		<b>1,689,538</b>	<b>1,348,500</b>
<b><i>Non-current liabilities</i></b>			
Provisions	14	6,892	4,760
<b>Total non-current liabilities</b>		<b>6,892</b>	<b>4,760</b>
<b>Total liabilities</b>		<b>1,696,430</b>	<b>1,353,260</b>
<b>Net assets</b>		<b>3,665,058</b>	<b>3,021,217</b>
<b><i>Equity</i></b>			
Asset revaluation reserve	16	88,143	88,143
Retained surplus	17	3,576,915	2,933,074
<b>Total equity</b>		<b>3,665,058</b>	<b>3,021,217</b>

*The accompanying notes form part of this financial report.*

**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Construction Workers Divisional Branch**

*Statement of Cash flows for the year ended 31 December 2004*

	Note	2004 \$	2003 \$
<b><i>Cash flows from operating activities</i></b>			
Receipts from members		5,074,930	
Receipts from FFTS administration agreement		94,187	
Receipts from CFMEU C&G National Office		1,686	
Receipts from BLF		10,899	
Grant receipts		546,512	
Interest received		201,135	
Wage claim receipts		326,424	
Other sundry receipts		267,259	
Payments to CFMEU C&G Federal Office		(448,552)	
Payments to CFMEU FFTS National Office		(17,081)	
Payments to CFMEU C&G Tasmanian Division		(10,000)	
Payments to BLF		(3,348)	
Payments to other suppliers and employees		(4,562,024)	
Wage claim payments		(331,344)	
<b>Net cash provided by operating activities</b>	22(b)	1,150,683	-
<b><i>Cash flow from investing activities</i></b>			
Purchase of fixed assets		(416,395)	
Proceeds from sale of fixed assets		162,201	
<b>Net cash provided (used) by investing activities</b>		(254,194)	-
<b>Net increase (decrease) in cash held</b>		896,489	-
Cash at the beginning of the year		3,052,231	
<b>Cash at the end of the year</b>	22(a)	3,948,720	3,052,231

*The accompanying notes form part of this financial report.*

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**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Construction Workers Divisional Branch**

*Notes to the Financial Statements for the year ended 31 December 2004*

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**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 Consensus Views 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, Construction and General Division, Queensland Construction Workers Divisional Branch as an individual reporting unit.

The financial report has been prepared on a modified accruals basis of accounting where, in accordance with Schedule 1 B section 252(4) of the Workplace Relations Act 1996, membership subscriptions are kept on a cash basis. The financial report 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 the fair values of the consideration given in exchange for assets.

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.

**(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.

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

Property held for investment purposes is not depreciated.

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**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Construction Workers Divisional Branch**

*Notes to the Financial Statements for the year ended 31 December 2004*

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**Note 2: Statement of significant accounting policies (contd)**

**(b) Property, plant and equipment(contd)**

**Plant and equipment**

Plant and equipment is measured on a cost basis.

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. 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 present values in determining recoverable amounts.

**Depreciation**

The depreciable amount of fixed assets, other than motor vehicles, 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:

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

**(c) Investments**

**Current:**

Shares and other securities listed on the Australian Stock Exchange held as current assets are valued at their market value at balance date. The gains or losses, whether realised or unrealised, are included in profit from ordinary activities

**Non-current**

Non-current investments are measured at their net fair value. The carrying amount of investments is reviewed annually to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount of shares and other securities listed on the Australian Stock Exchange have been assessed from the quoted market values. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

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**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Construction Workers Divisional Branch**

*Notes to the Financial Statements for the year ended 31 December 2004*

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**Note 2: Statement of significant accounting policies (contd)**

**(d) 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 together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

**(e) Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

**(f) 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 Statement of Financial Position are shown inclusive of GST.

**(g) 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.



**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Construction Workers Divisional Branch**

*Notes to the Financial Statements for the year ended 31 December 2004*

	2004	2003
	\$	\$
<b>Note 3: FFTS membership subscriptions</b>		
Membership subscriptions	76,978	82,452
Compulsory levy - Royal Commission	1,918	844
Joining fees	7,575	2,220
	86,471	85,516
<p>These amounts reflect the entries as recorded whilst under the administration of The Construction, Forestry, Mining and Energy, Industrial Union of Employees, Queensland.</p>		
<b>Note 4: Affiliation fees</b>		
Political	49,392	48,434
CFMEU C&G National Office	422,784	380,365
CFMEU FFTS National Office	15,396	16,624
Other	46,395	50,604
	533,967	496,027
<b>Note 5: Employee related costs</b>		
Employee remuneration - officials	855,529	889,603
Employee remuneration - staff	865,398	805,282
External agencies	13,850	936
BERT contributions	73,822	66,748
CIPQ Insurance	16,840	16,660
Annual leave entitlements	32,722	9,641
Long service leave entitlements	59,992	48,756
Fringe benefits tax	44,097	48,915
Payroll tax	109,459	102,630
Superannuation	561,441	481,412
Workcover insurance	14,376	12,710
	2,647,526	2,483,293
<b>Note 6: Depreciation</b>		
Building	15,948	-
Motor vehicles	156,952	143,446
Plant and equipment	29,367	34,184
	202,267	177,630

**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Construction Workers Divisional Branch**

*Notes to the Financial Statements for the year ended 31 December 2004*

	2004	2003
	\$	\$
<b>Note 7: Meetings costs</b>		
Attendance fees	22,382	21,426
Convention expenses	46,236	-
SMC & state executive expenses	15,579	27,103
Sub-branch expenses	8,363	10,432
Other meeting expenses	7,221	1,835
	99,781	60,796
<b>Note 8: Other operating costs</b>		
Accounting service	90,015	84,426
Administration expenditure	42,841	41,182
Advertising & marketing	26,090	5,618
Aged auxiliary	14,112	14,459
Auditors remuneration - audit services	14,390	11,080
Computer expenses	10,847	13,511
Communications	81,310	79,117
Conference expenses	12,556	24,122
Donations - political	80,000	400
Donations - other	2,900	6,945
Interest paid	49	5,608
International delegates	11,846	11,942
Journal expenses	57,775	54,389
Labor Day expenses	7,639	6,574
Legal fees	62,583	68,029
Miscellaneous expenses	5,620	5,442
Motor vehicle expenses	191,173	176,404
Organising expenses	182,658	133,023
Postage	33,649	31,744
Printing and stationery	55,156	59,691
Rent and cleaning	25,614	23,443
Subscriptions	5,717	5,315
Tool claims paid	2,562	2,119
Training	19,562	16,541
	1,036,664	881,124

**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Construction Workers Divisional Branch**

*Notes to the Financial Statements for the year ended 31 December 2004*

	Note	2004 \$	2003 \$
<b>Note 9: Cash assets</b>			
Cash on hand		4,200	4,200
Bank - general account		65,239	(40,701)
Bank - wage claim account	18	1,908	7,020
Cash at call		365,218	468,026
		436,565	438,545
<b>Note 10: Investments</b>			
<i>Current</i>			
<i>At cost</i>			
Term deposits		1,312,155	2,613,686
		1,312,155	2,613,686
<i>Non-current</i>			
<i>At cost</i>			
Term deposits		2,200,000	-
Units in Trade Union Centre Rockhampton		23,678	23,678
Union House Partnership		2,747	3,802
		2,226,425	27,480
		3,538,580	2,641,166
<b>Note 11: Receivables</b>			
Interest		27,457	20,698
FEDFA		16,850	16,850
BLF		260	1,076
CFMEU National office		2,052	48
Other		30,378	25,846
		76,997	64,518
Less: Provision for non-recovery		(5,000)	(5,000)
		71,997	59,518

**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Construction Workers Divisional Branch**

*Notes to the Financial Statements for the year ended 31 December 2004*

	2004	2003
	\$	\$
<b>Note 12: Property, Plant and Equipment</b>		
Land and buildings		
1/6 share Union house at independent valuation 1998	500,000	500,000
Less: accumulated depreciation	(15,948)	-
	484,052	500,000
Motor vehicles - at cost	802,070	772,933
Less: accumulated depreciation	(200,996)	(190,632)
	601,074	582,301
Plant and equipment - at cost	372,113	387,494
Less: accumulated depreciation	(255,725)	(291,400)
	116,388	96,094
	1,201,514	1,178,395

Movement in the carrying amounts between the beginning and the end of the current financial year:

	Land and Buildings \$	Motor vehicles \$	Plant and equipment \$	Total \$
Balance at start of year	500,000	582,301	96,094	1,178,395
Additions	-	329,468	51,175	380,643
Disposals	-	(148,516)	(1,404)	(149,920)
Depreciation expense - Note 6	(15,948)	(156,952)	(29,367)	(202,267)
Depreciation - Apprentice Scheme	-	(5,227)	(110)	(5,337)
Balance at end of year	484,052	601,074	116,388	1,201,514

**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Construction Workers Divisional Branch**

*Notes to the Financial Statements for the year ended 31 December 2004*

	2004	2003
	\$	\$
<b>Note 13: Payables</b>		
Trade	28,623	94,405
GST	95,732	83,635
Appeals	46,091	202,421
Sundry Creditors	318,797	193,049
Wages collected on behalf of members	2,435	7,355
	491,678	580,865
Payables include the following amounts owing to related unions:		
CFMEU C&G National Office	128,636	107,041
CFMEU FFTS National Office	1,312	1,445
BLF	121	-
<b>Note 14: Provisions</b>		
<i>Current</i>		
Provision for Annual Leave	322,744	293,104
Provision for Long Service Leave	474,195	419,599
	796,939	712,703
<i>Non-Current</i>		
Provision for Long Service Leave	6,892	4,760
	803,831	717,463
Number of employees at year end	35	33
<b>Note 15: Other current liabilities</b>		
<i>Revenue received in advance</i>		
Apprentice Scheme Funding	376,721	32,132
Other	24,200	22,800
	400,921	54,932
<b>Note 16: Reserves</b>		
<i>Asset Revaluation Reserve</i>		
Opening balance	88,143	88,143
Revaluation increment/(decrement)	-	-
Closing balance	88,143	88,143

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

**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Construction Workers Divisional Branch**

*Notes to the Financial Statements for the year ended 31 December 2004*

	2004	2003
Note	\$	\$
<b>Note 17: Retained surplus</b>		
Retained surplus at the beginning of the year	2,933,074	2,569,230
Net surplus attributable to the Union	643,841	363,844
	3,576,915	2,933,074

**Note 18: Wage claims account**

Opening balance	7,020	
Wages recovered	326,424	
Wages dispersed to members	(331,344)	
Bank charges (nett of reimbursement from general account)	(192)	
	1,908	7,020

**Note 19: Contingent liabilities**

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

**Note 20: Events subsequent to reporting date**

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

**Note 21: Segment reporting**

The Union operates predominately in one business and geographical segment, being a union of employees providing industrial and workplace relations services to its members in Queensland.

**Note 22: Cash flow information**

**(a) Reconciliation of cash**

Cash assets	9		
Cash on hand		4,200	4,200
Bank - general account		65,239	(40,701)
Bank - wage claim account		1,908	7,020
Cash at call		365,218	468,026
		436,565	438,545
Investments	10		
Term deposits - current		1,312,155	2,613,686
Term deposits - non-current		2,200,000	-
		3,948,720	3,052,231

**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Construction Workers Divisional Branch**

*Notes to the Financial Statements for the year ended 31 December 2004*

2004  
\$

2003  
\$

**Note 22: Cash flow information contd**

**(b) Reconciliation of net cash provided by operating activities to surplus from ordinary activities after tax**

Surplus from ordinary activities after income tax	643,841	
Non-cash flows in ordinary activities		
Depreciation expense - Note 6	202,267	
Depreciation - Apprentice Scheme	5,337	
Net loss on disposal of fixed assets	2,465	
Union House partnership loss	1,055	
Changes in assets and liabilities		
(Increase) decrease in receivables	(12,479)	
(Increase) decrease in prepayments	(55,979)	
Increase (decrease) in payables of an operating nature	(68,181)	
Increase (decrease) in other liabilities	345,989	
Increase (decrease) in provisions	86,368	
		1,150,683

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

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

**Note 23: Financial instruments**

**(a) Interest rate risk**

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

**Financial assets**

Cash at bank and at call	432,365	434,345
Term deposits	3,512,155	2,613,686
	3,944,520	3,048,031

**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 statement of financial position and notes to the financial statements.

The Union does not have any material credit risk exposure to any debtors under financial instruments entered into by the Union.

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**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Construction Workers Divisional Branch**

*Notes to the Financial Statements for the year ended 31 December 2004*

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**Note 23: Financial instruments contd**

**(c) Net fair values**

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the 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 24: Union details**

The principal place of business of the Union is:

Construction, Forestry, Mining and Energy Union, Construction and General Division,  
Queensland Construction Workers Divisional Branch  
366 Upper Roma Street  
Brisbane Qld 4000



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**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Construction Workers Divisional Branch**

*Committee of Management Statement for the year ended 31 December 2004*

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(Workplace Relations Act 1996 Cwlth)

In accordance with a resolution passed by the Committee of Management of the Construction, Forestry, Mining and Energy Union, Construction and General Division, Queensland Construction Workers Divisional Branch on 3 March 2005 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 Register.
- (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) 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
  - (v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

Signed on behalf of the Committee of Management by:



*William Wallace Trohear*

State Secretary

**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Construction Workers Divisional Branch**

Date: 4 of March 2005

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**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Construction Workers Divisional Branch**

*Independent Audit Report to the members*

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**Scope**

We have audited the financial report of the Construction, Forestry, Mining and Energy Union, Construction and General Division, Queensland Construction Workers Divisional Branch for the year ended 31 December 2004 comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows 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 and its cash flows.

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

**Qualification**

The Construction, Forestry, Mining And Energy Union, Construction And General Division, Queensland Construction Workers Divisional Branch carries its land and buildings at fair value but has not revalued the property since 1998. This is a departure from Australian Accounting Standard AASB 1041 Revaluation of Non-current Assets, which requires that revaluations should be made regularly, at least every three years. As a result of this, the carrying amount of land and buildings shown in the financial report may not represent its fair value as at 31 December 2004.

**Qualified audit opinion**

In our opinion, except for the effects on the financial report of the matter referred to in the qualification paragraph, the financial report of the Construction, Forestry, Mining and Energy Union, Construction and General Division, Queensland Construction Workers Divisional Branch presents fairly in accordance with applicable Accounting Standards, the Workplace Relations Act 1996 and other mandatory professional reporting requirements in Australia, the financial position of the Construction, Forestry, Mining and Energy Union, Construction and General Division, Queensland Construction Workers Divisional Branch as at 31 December 2004 and the results of its operations and its cash flows for the year then ended.



Michael Rice  
Michael Rice & Associates  
Certified Practising Accountants

Brisbane

Date:.....15/3/05.....

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**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Construction Workers Divisional Branch**

*Certificate by State Secretary for the year ended 31 December 2004*

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In accordance with the requirements of the Workplace Relations Act 1996 Schedule 1B Section 268(c), I, Michael John Ravbar, certify that the attached copies of reports are copies of documents that were provided to members on .....6...*May*....., 2005 and presented to a meeting of the Committee of Management on .....16...*June*....., 2005 in accordance with Section 266 of the RAO Schedule.



.....  
*Michael John Ravbar*  
Acting State Secretary

**Construction, Forestry, Mining and Energy Union**  
**Construction and General Division**  
**Queensland Construction Workers Divisional Branch**

Date:.....16/6/05.....





**Australian Government**  
**Australian Industrial Registry**

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

Mr Tom Roberts  
National Legal Officer  
Construction Forestry Mining & Energy Union  
PO Box Q235  
QVB POST OFFICE NSW 1230

Dear Mr Roberts

**Queensland Construction Workers' Divisional Branch - financial return for year ending  
31 December 2004 (FR2004/696)**

I refer to the financial documents of the Branch lodged in the Registry on 24 June 2005.

Qualified Audit Report

The auditor has reported a departure by the Branch from the relevant Accounting Standard in the presentation of its general purpose financial report ("GPFR"). As you know, the Branch is required to prepare its GPFR "in accordance with the Australian Accounting Standards"<sup>1</sup>.

The auditor has noted that the Branch carries its land and buildings at "fair value". If so, the Standard requires the Branch to revalue those assets at least every three years. The auditor reports that the latest revaluation of the property in which the Branch has a share took place in 1998 and notes that the carrying amount shown in the financial report may not represent the fair value of its share as at 31 December 2004.

Under the RAO Schedule, a Registrar must investigate a matter where the report of an auditor sets out any "defect or irregularity" or "deficiency, failure or shortcoming" in financial documents lodged in the Registry<sup>2</sup>.

Despite this provision, a Registrar is not required to investigate if, after consultation with the reporting unit, a Registrar is "satisfied that the matters are trivial or will be remedied the following financial year"<sup>3</sup>.

From the report of the auditor, it would seem the absence of any revaluation of the property since 1998 is a relatively substantial departure from the relevant Standard and could not be reasonably described as "trivial". If however the Branch is proposing to address this matter by arranging for a revaluation during this financial year so that its financial report for 31 December 2004 will be consistent with the Accounting Standards, that matter may be taken into account by a Registrar in determining if an investigation should take place.

I invite the Branch's comments on these matters and what action it proposes following the auditor's qualified report before I decide whether to investigate this matter.

<sup>1</sup> s253(1) of the RAO Schedule -- all references are to the Schedule

<sup>2</sup> s332(1)

<sup>3</sup> s332(2)(b)

Committee of Management Statement

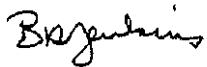
The reporting guidelines of the Industrial Registrar require the Branch committee to express its opinion on whether the "financial records of [the Branch] have been kept, as far as practicable, in a consistent manner to each of the other reporting units" of the CFMEU. The Committee has not expressed its opinion on this matter. It should ensure it does when preparing its next Statement; if it cannot express an opinion in those terms, it should say why<sup>4</sup>.

Donations

Note 8 to the accounts disclose donations of \$82,900. If any donation exceeded \$1,000 the Branch must lodge a statement in the Registry under s237 giving particulars of each donation. I have enclosed a copy of s237 which specifies the particulars required.

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

Yours sincerely

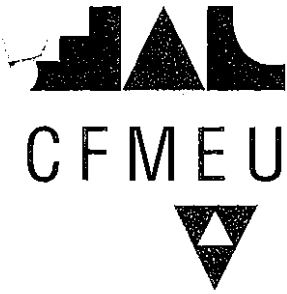


Barry Jenkins  
Deputy Industrial Registrar

16 August 2005

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<sup>4</sup> See paragraph 17(e)(iv) of the Guidelines under s253 of May 2003



**CONSTRUCTION**

**FORESTRY**

**MINING**

**ENERGY**

**UNION**

22 November 2005

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

Attn: Mr B Jenkins

Dear Sir

**Re: Financial Returns – Queensland (FR 2004/672 & 696)**

We refer to your correspondence relating to the above returns and apologise for the delay in responding.

In relation to the qualified audit report we have now confirmed with each of the Divisional branches concerned that the relevant properties have been revalued and that the details of this revaluation will appear in the returns for these Divisional Branches in the returns for the year ending 31 December 2005. Accordingly that aspect of the returns for 2005 will be consistent with Australian Accounting Standards.

On that basis we would submit that an investigation into the matter by a Registrar would be unnecessary and unwarranted.

Thank you for drawing this matter to our attention. Should you require any further information please do not hesitate to contact this office.

Yours faithfully

Tom Roberts  
Senior National Legal Officer  
Construction & General Division



CONSTRUCTION &  
GENERAL DIVISION  
ABN 46 243 168 565

JOHN SUTTON  
National Secretary

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Mr Tom Roberts  
National Legal Officer  
Construction Forestry Mining & Energy Union  
PO Box Q235  
QVB POST OFFICE NSW 1230

Dear Mr Roberts

**Queensland Construction Workers' Divisional Branch - financial return –  
for year ending 31 December 2004 (FR2004/696)**

Thank you for your letter dated 22 November 2005 regarding matters arising from the auditor's report and which I raised in my letter dated 16 August 2005.

Having regard to your advice that the relevant properties have been re-valued and that the revaluations will be disclosed in the Branch's returns for the year ending 31 December 2005, I am satisfied that the matters I raised will be remedied in the following year and that as a consequence, no investigation is necessary.

The documents have been filed.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Barry Jenkins', written in a cursive style.

Barry Jenkins  
Deputy Industrial Registrar

16 December 2005