



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

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

**Ref: FR2005/584**

Mr Martin O'Malley  
Branch Secretary  
CFMEU Construction and General Division  
South Australian Divisional Branch  
1st Floor, Trades Hall  
32 South Terrace  
ADELAIDE SA 5000

Dear Mr O'Malley

**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'<sup>1</sup>). While the immediate changes affected the rules and elections in organisations, the changes affecting financial returns involve a longer lead time.

**The key differences under the new legislation affecting financial returns are:**

- a reduced financial reporting cycle (now maximum periods of 5 or 6 months depending on internal arrangements of organisation)
- a greater emphasis given to Australian Accounting Standards
- the introduction of a new report, known as an Operating Report (broadly similar in concept to a Director's Report under the corporations legislation)
- extensions of time are limited to one month
- restructured penalty provisions involving more extensive use of Civil Penalties
- the introduction of the Industrial Registrar's Reporting Guidelines
- organisations and their branches to report according to their financial structures, known as 'reporting units'.

We recommend you discuss the new requirements with your accountant or auditor.

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<sup>1</sup> Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the *Workplace Relations Act 1996*)

## Reporting Unit

One of the new concepts of the RAO legislation is that reporting entities are known as "*reporting units*". Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will refer to your organisation as a reporting unit in this letter.

## Industrial Registrar's Guidelines

The Industrial Registrar's reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit's economic support of, or economic dependency on, other reporting units of the organisation.

## Timeline Planner and Checklist

We have attached a Timeline/Planner (*Attachment A*) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (*Attachment B*) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar's Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

## Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor's Report, comprise the reporting unit's financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar's Reporting Guidelines. The GPFR consists of:

Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255); and

Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C)

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

### **First Meeting (Committee of Management)**

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

### **The Auditor**

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

### **Informing Your Members**

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

### **The Second Meeting - if it is a General Meeting of Members**

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval and the second meeting is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

## The Second Meeting - if it is a Committee of Management Meeting

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

### Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at [www.airc.gov.au](http://www.airc.gov.au)). When lodging the financial return please quote: **FR2005/584**.

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](mailto:belinda.penna@air.gov.au) as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedure but we cannot give you legal or accounting advice.

## Information on AIRC Website

We recommend you and your accountant/auditor refer to the following documents on the Commission's website at [www.airc.gov.au](http://www.airc.gov.au):

- [RAO Schedule and RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the new requirements of the RAO Schedule - many of them deal with financial reporting matters.

Yours sincerely



For Deputy Industrial Registrar  
27 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	✓
<b>1</b>	<b>General Purpose Financial Report</b>	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
<b>2</b>	<b>Committee of Management Statement</b>	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
<b>3</b>	<b>Auditor's Report</b>	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
<b>4</b>	<b>Operating Report</b>	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
<b>5</b>	<b>Concise report*</b>	
<b>6</b>	<b>Certificate of Secretary or other Authorised Officer</b>	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

\* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

**Committee Of Management Statement**

On *[date of meeting]* the Committee of Management of *[name of reporting unit]* passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended *[date]*:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply\* with the Australian Accounting Standards;
- (b) the financial statements and notes comply\* with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view\* of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds\* to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held\* in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been\* managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been\* kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been\* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been\* furnished to the member or Registrar; and
  - #(vi) there has been\* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: *[name of designated officer per section 243 of the RAO Schedule]*

Title of Office held:

Signature:

Date:

\* Where compliance or full compliance has not been attained - set out details of non compliance instead.

# Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."



**Certificate of Secretary or other Authorised Officer<sup>1</sup>**

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]*<sup>2</sup>, referred to in s268 of the RAO Schedule; and
- that the *[full report OR concise report]*<sup>3</sup>, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members OR the last of a series of general meetings of members OR a meeting of the committee of management]*<sup>3</sup> of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

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

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

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

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

**PENNA, Belinda**

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**From:** KELLETT, Stephen  
**Sent:** Friday, 26 May 2006 5:37 PM  
**To:** 'Nadine Levy'  
**Subject:** RE: Audit Returns

Dear Nadine

Where the financial year of a Branch ends 31 December 2005, this means the normal lodgement deadlines would be

(a) **to supply members with a copy** of the report before the expiry of 5 months (31<sup>st</sup> May 2006) or by the date that occurs 21 days prior to a presentation to a general meeting, i.e. by about 9<sup>th</sup> June 2006 – see s265(5) –

(b) **to present the full report** to a meeting before the end of 6 months, that is by 30 June 2006 – see s266(1) – and

(c) **to lodge the documents** within 14 days after that (that is, by 14<sup>th</sup> July 2006) – see s268.

As you see from the attached extract, the only extension that is specifically provided for is an extension of one month in order to hold the presentation meeting later – see s265(5).

So the correct procedure would be for the Branch Secretary(s) to write to the Deputy Industrial Registrar here at The Australian Industrial Registry, 80 William Street, East Sydney NSW 2011, specifically seeking an extension of 1 month “*under s265(5)*” in respect of each Branch. The two letters should indicate the reason for seeking the extensions. When granted this extension would effectively mean that the Branches will have until 31 July to present their reports to the meetings, and therefore until **14<sup>th</sup> August 2006** to lodge the financial returns.

The letters seeking extensions should be lodged with the Registry before the end of June, and naturally before the occurrence of the presentation of the meeting

I hope this helps.

Yours sincerely

Stephen Kellett  
Australian Industrial Registry

08 8231 5532

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**From:** Nadine Levy [mailto:nlevy@sa.cfmeu.asn.au]  
**Sent:** Friday, 26 May 2006 1:04 PM  
**To:** stephen.kellett@air.gov.au  
**Subject:** Audit Returns

To Stephen,

I am writing to you on behalf of Martin O'Malley, Secretary of the CFMEU – SA Branch.

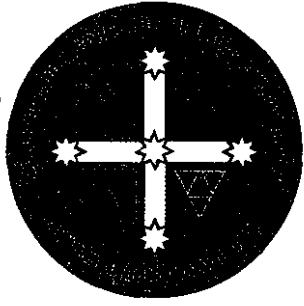
We seek an extension for lodgment for our Audit Return 2005 for both the CFMEU – Construction and General Division and the CFMEU – Mining and Energy Division.

Can you please advise us as to the correct procedure in requesting this extension?

Thank you,

Nadine Levy  
CFMEU  
Administration

29/05/2006



# Construction Forestry Mining and Energy Union

**Construction & General Division**  
President: Peter Kaine  
Secretary: Martin O'Malley

**Mining & Energy Division**  
President: Geoff Day  
Secretary: Graham Murray

The Australian Industrial Registry  
80 William Street,  
East Sydney 2011

20<sup>th</sup> June 2006

Att: Deputy Industrial Registrar

**Re: Audit Returns**

Dear Sir/Madam,

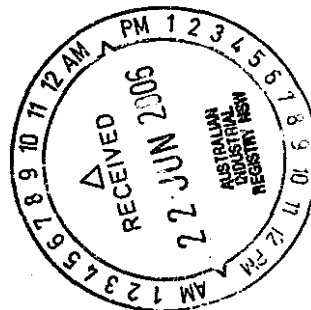
The South Australian Construction & General Divisional Branch of the CFMEU seeks an extension of one month as per section 265(5) of the Workplace Relations Act 1996.

In seeking this extension, we ask you to please take the following into consideration.

During the audit period we moved offices, experienced a significant turnover in administration staff and commenced a number of different business systems. This resulted in major delays to the audit process. As a result of the above, our presentation time table has been seriously disrupted. An extension of a month will allow the Branch to fulfill its obligations under the Act.

Yours faithfully,

Martin O'Malley  
Secretary



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

**(Construction and General Division  
South Australian Divisional Branch)**

**FOR THE YEAR ENDED 31 DECEMBER, 2005**

**Schedule 1B**

***Workplace Relations Act 1996***

**Section 268**

**CERTIFICATE**

Pursuant to Section 268 of Schedule 1B the *Workplace Relations Act 1996*, I, Martin O'Malley, certify that the documents attached hereto are copies of the documents provided to members of the above-named Division on 2<sup>nd</sup> June 2006 and presented to a presentation meeting, being a meeting of the Divisional Branch Management Committee on 28<sup>th</sup> June 2006.

  
\_\_\_\_\_  
Divisional Branch Secretary  
CFMEU  
Construction & General Division  
South Australian Divisional Branch

7<sup>th</sup> July 2006

\_\_\_\_\_  
Date



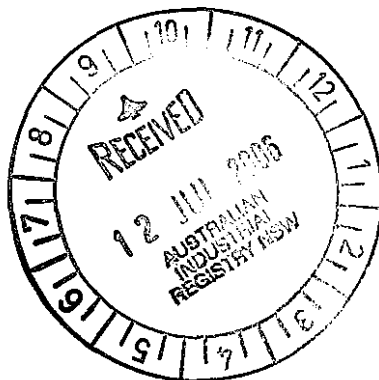
# CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

## CONSTRUCTION & GENERAL DIVISION SOUTH AUSTRALIAN BRANCH

FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31<sup>ST</sup> DECEMBER, 2005

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Prepared by:

**Major, May & Associates**  
**Chartered Accountants**

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# **CONSTRUCTION, FORESTRY, MINING & ENERGY UNION CONSTRUCTION & GENERAL DIVISION - SA BRANCH**

## **OPERATING REPORT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005**

### **Principal Activities**

CFMEU, Construction & General Division – SA Branch (“the Union”) is committed to advancing the wages, conditions and well-being of its membership.

The Union’s principal activities during the year were:

- Joining up new members.
- Representation of members and others on the job.
- Union-negotiated collective agreements.
- Assisting members with legal representation.
- Facilitating access to training courses.
- Informing members through meetings and newsletters.
- Sale of products to union members.
- Representing members and other workers through Tri partite and Bi partite key Government and Industry Committees.
- Pursuing the objectives of the organization as prescribed by Rule 4, Objects of the CFMEU.

### **Financial Affairs**

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

### **Members’ Rights to Resign**

Members have the right to resign from the Union in accordance with section 174 of Schedule 1B of the Workplace Relations Act 1996 and Rule 11 of the Federal Rules.

### **Superannuation Fund Trustees**

The officers and members listed below were trustees or directors of a trustee company of a Superannuation Fund as a consequence of their position with the Union:

- Ben Carslake                      Deputy Director                      CBUS

### **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 3,819.

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION  
CONSTRUCTION & GENERAL DIVISION - SA BRANCH**

**OPERATING REPORT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005**  
**(CONT)**

**Number of Employees**

The number of full-time equivalent employees of the Union at the end of the financial year was 5.

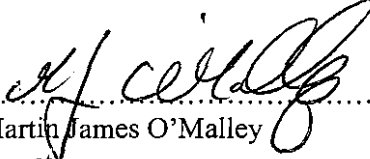
**Committee of Management**

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

Martin O'Malley	Allen Harris	Mark McEwen
Ben Carslake	Peter Kaine	Ross Lane
Chris Chisholm	Darren Roberts	Justin Feehan
Aaron Cartledge	Craig Fry	

All appointments were for the Period 1<sup>st</sup> January 2005 – 31<sup>st</sup> December 2005

Signed on behalf of the Committee of Management by:

  
.....  
Martin James O'Malley  
Secretary  
CFMEU,  
Construction and General Division, SA Branch

Date: 02/06/06.....

**CONSTRUCTION, FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION, SA BRANCH**

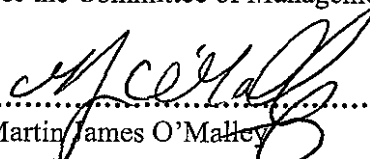
**COMMITTEE OF MANAGEMENT STATEMENT**

On the *2<sup>nd</sup> June* 2006, the Committee of Management of the Union passed the following resolution to the general purpose financial report (GPFR) of the Union for the year ended 31<sup>st</sup> December, 2005.

The Committee declares in relation to the GPFR that in its opinion:

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year ended 31<sup>st</sup> December 2005;
- (d) there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31<sup>st</sup> December, 2005 and since the end of the financial year:
  - (i) meetings of the COM were held in accordance with the rules of the organisation and the rules of the COM;
  - (ii) the financial affairs of the Union have been managed in accordance with the rules of the organisation and the rules of the Union;
  - (iii) the financial records of the Union have been kept and maintained in accordance with Schedule 1B to the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003;
  - (iv) the financial records of the Union have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation;
  - (v) no information has been sought in any request of a member of the Union or a Registrar under section 272 of Schedule 1B to the Workplace Relations Act 1996; and
  - (vi) no orders have been made by the Commission under section 273 of Schedule 1B to the Workplace Relations Act 1996.

For the Committee of Management

  
.....  
Martin James O'Malley  
Secretary



**CONSTRUCTION, FORESTRY,  
MINING & ENERGY UNION  
CONSTRUCTION & GENERAL DIVISION  
SOUTH AUSTRALIAN BRANCH**

AUDITOR'S REPORT  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2005

**[m]<sup>2</sup>**

**SCOPE**

We have audited the Accounts, being the Balance Sheet, Statement of Accumulated Funds, Statement of Income & Expenditure, Statement of Cash Flows and Notes to and forming part of the Accounts, of the Construction, Forestry, Mining & Energy Union, Construction & General Division, South Australian Branch, for the year ended 31<sup>st</sup> December, 2005.

The Committee of Management is responsible for the preparation and presentation of the Accounts and the information they contain.

We have conducted an independent audit of these Accounts in order to express an opinion on them to the Members of the Branch.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the Accounts are free from material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the Accounts, 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 Accounts are presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view of the Branch which is consistent with our understanding of its financial position and the results of its operations.

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

**AUDIT OPINION**

In our opinion:-

- (1) There were kept by the Branch in respect of the year ended 31<sup>st</sup> December, 2005, satisfactory accounting records detailing the sources and nature of the Income of the Branch (including Income from Members) and the nature and the purposes of Expenditure.
- (2) The attached Accounts and Statements are properly drawn up:-
  - (a) in accordance with the Workplace Relations Act, 1996, as amended;
  - (b) so as to give a true and fair view of;
    - (i) the state of affairs of the Branch as at 31<sup>st</sup> December, 2005; and
    - (ii) the Income and Expenditure and Surplus of the Branch for the year ended on that date;
  - (c) in accordance with applicable Accounting Standards. and
  - (d) so as to comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act.

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION  
CONSTRUCTION & GENERAL DIVISION  
SOUTH AUSTRALIAN BRANCH**

AUDITOR'S REPORT (cont.)

**AUDIT OPINION (cont.)**

- (3) We received from the Officers and Employees of the Branch all the information and explanations which we required for the purposes of our audit.

Signed at Prospect this *2<sup>nd</sup>* day of *June*, 2006.  
**MAJOR, MAY & ASSOCIATES**  
Chartered Accountants



**ANDREW MAY ACA, BA (Acc)**  
Registered Company Auditor  
Partner

# CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

## CONSTRUCTION & GENERAL DIVISION SOUTH AUSTRALIAN BRANCH

### STATEMENT OF FINANCIAL POSITION as at 31<sup>st</sup> December 2005

	Note	2005 \$	2004 \$
<b>ACCUMULATED FUNDS</b>			
Accumulated Surplus		913,108	299,418
Asset Revaluation Reserve	7	-	540,473
Members' Assistance Fund		13,596	8,346
Trust Account		604	3,804
<b>TOTAL FUNDS</b>		<b>\$927,308</b>	<b>\$852,041</b>
These funds are represented by:-			
<b>CURRENT ASSETS</b>			
Petty Cash		1,250	1,250
Cash at Bank	5	390,521	106,273
Other Debtors		6,078	-
Interdivisional Loan Accounts		6,153	1,275
<b>TOTAL CURRENT ASSETS</b>		<b>404,002</b>	<b>108,798</b>
<b>CURRENT LIABILITIES</b>			
Sundry Creditors & Accruals		215,246	80,944
Provision for Annual Leave		28,630	17,810
Provision for Long Service Leave		49,975	35,955
Provision for Mortality & Funeral Benefits		2,400	2,400
Loan from ABCWF		-	9,438
<b>TOTAL CURRENT LIABILITIES</b>		<b>296,251</b>	<b>146,547</b>
<b>NET WORKING CAPITAL/(DEFICIENCY)</b>		<b>\$107,751</b>	<b>(\$37,749)</b>
<b>NON CURRENT ASSETS</b>			
Cash Management Account		-	199
Commercial Bills		-	154,423
Term Deposits		11,447	11,146
Loan to ABCWF		799,007	-
Fixed Assets	6	9,103	724,022
<b>TOTAL NON CURRENT ASSETS</b>		<b>819,557</b>	<b>889,790</b>
<b>NET ASSETS</b>		<b>\$927,308</b>	<b>\$852,041</b>
Contingent Liabilities	8		

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION**

**CONSTRUCTION & GENERAL DIVISION  
SOUTH AUSTRALIAN BRANCH**

**STATEMENT OF ACCUMULATED FUNDS  
For the year ended 31<sup>st</sup> December, 2005**

	2005 \$	2004 \$
Operating Surplus/(Deficit)	613,690	(28,142)
Add Accumulated Surplus at the beginning of the Year	299,418	327,560
<b>ACCUMULATED SURPLUS AT THE END OF THE YEAR</b>	<b><u>\$913,108</u></b>	<b><u>\$299,418</u></b>

To be read in conjunction with the notes to the accounts

# CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

## CONSTRUCTION & GENERAL DIVISION SOUTH AUSTRALIAN BRANCH

### STATEMENT OF INCOME & EXPENDITURE For the year ended 31<sup>st</sup> December, 2005

	Note	2005 \$	2004 \$
<b>INCOME</b>			
Members' Contributions		921,110	953,154
Meeting Attendance		12,571	674
Interest Received		12,122	7,037
BIRST Grant		102,948	-
Rent Received		-	5,455
Advertising Income		10,821	16,818
Sundry Income		12,603	10,921
<b>TOTAL INCOME</b>		<b>1,072,175</b>	<b>994,059</b>
<b>LESS EXPENDITURE</b>			
Advertising		80	68
Audit & Accountancy Fees		5,310	3,600
Bank Fees & Taxes		11,618	10,227
Building Industry Redundancy Scheme		3,440	9,200
Cleaning		6,742	3,615
Computer Expenses		5,599	686
Debt Collection Expenses		-	1,953
Depreciation		2,955	10,238
Donations		2,400	3,478
Entertainment & Public Relations		12,848	5,914
Equipment Hire		573	-
Fringe Benefits Tax		8,048	9,784
Insurance (General)		15,659	17,973
Insurance (Members)		4,218	19,508
Legal & Industrial Expenses		2,956	12,189
Levies		12,757	-
Light & Power		1,571	2,337
Minor Asset Purchases		-	800
Motor Vehicle Expenses		44,573	42,197
Office Expenses		2,834	3,151
Organisers' Expenses		523	618
Papers & Publications		2,874	3,056
Parking Rental		2,955	2,387
Photocopier Rental		6,236	5,916
Postage & Contract Mailing		10,436	11,968
Printing & Stationery		20,439	19,834
Promotional Items		2,035	1,107
Rates & Taxes		2,269	9,856
Relocation Costs		6,201	-
Secretarial Expenses		3,556	1,980
Service Fees & Consulting Charges	2	300,495	310,055

To be read in conjunction with the notes to the accounts

# CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

## CONSTRUCTION & GENERAL DIVISION SOUTH AUSTRALIAN BRANCH

### STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31<sup>st</sup> December, 2005

(continued)

	Note	2005 \$	2004 \$
Strata Title Maintenance		6,400	18,200
Subscriptions		4,133	5,990
Sundry Expenses		3,626	2,975
Sustentation & Capitation Fees	4	114,481	126,447
Telephone		29,137	35,740
Travel & Accommodation		22,515	25,707
Employment Expenses			
Salaries – Officials		223,241	201,177
Superannuation		24,669	17,112
Workcover		5,179	2,609
Payroll Tax		16,649	47,551
Uniforms & Clothing		10,158	11,211
Provisions for Annual & Long Service Leave		27,753	8,939
Casual Labour		1,160	(5,152)
Total Employment Expenses		308,809	283,447
TOTAL EXPENDITURE		991,311	1,022,201
OPERATING SURPLUS/(DEFICIT)		\$80,864	(\$28,142)
ABNORMAL ITEM			
Profit on Sale of Trades Hall		532,826	-
TOTAL SURPLUS/(DEFICIT)		\$613,690	(\$28,142)

To be read in conjunction with the notes to the accounts

# CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

## CONSTRUCTION & GENERAL DIVISION SOUTH AUSTRALIAN BRANCH

### STATEMENT OF CASH FLOWS For the year ended 31<sup>st</sup> December, 2005

	Notes	2005 \$	2004 \$
<b>CASH FROM OPERATING ACTIVITIES</b>			
Members' Contributions		921,110	953,154
Payments to Suppliers and Employees		(846,695)	(990,523)
Grant from BIRST		102,948	-
Other Income		35,995	43,478
Interest Received		12,122	7,037
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	10	<u>225,480</u>	<u>13,146</u>
<b>CASH FROM INVESTING ACTIVITIES</b>			
Net Proceeds from Sale of Trades Hall		711,280	-
Loan to ABCWF		(799,007)	-
Payment for Unit 13		-	(46,680)
Payment for Plant & Equipment		(7,827)	(4,753)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(95,554)</u>	<u>(51,433)</u>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		129,926	(38,287)
Cash at Beginning of Year	9	273,292	311,579
<b>CASH AT END OF YEAR</b>	9	<u>\$403,218</u>	<u>\$273,292</u>

To be read in conjunction with the notes to accounts.

# CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

## CONSTRUCTION & GENERAL DIVISION SOUTH AUSTRALIAN BRANCH

### NOTES TO AND FORMING PART OF THE ACCOUNTS For the year ended 31<sup>st</sup> December, 2005

#### **Note 1. Accounting Methods**

Membership Contributions are accounted for on a cash basis. Otherwise, the Accounts are prepared under the Historical Cost Convention on an accruals basis, and in accordance with the Accounting Standards jointly issued by the Australian Professional Accounting Bodies. In particular:-

- (a) The Accounts have not been adjusted to reflect changes in the general purchasing power of the dollar or in the prices of specific assets.
- (b) Provision is made for depreciation of Fixed Assets at rates considered appropriate to the useful lives of such assets.
- (c) Provisions for Employee Benefits, in the form of Accrued Annual and Long Service Leave, have been made based on the estimated accrued entitlements of all employees on the basis of their terms of employment.

#### **Note 2. Service Fees and Consulting Charges**

On 1st September, 1996, the South Australian operations of the Workers' Divisional Branch and the Labourers' Divisional Branch of the CFMEU, Construction and General Division, were amalgamated to form the CFMEU, Construction and General Division, South Australian Branch.

Assets, liabilities and the accumulated surplus of the former Workers' Divisional Branch of the CFMEU were transferred to the new Construction and General Division on that date.

Staff employed by the Australian Building and Construction Workers' Federation are utilised in the ongoing operations of the new branch, and a "Service Fee" is charged accordingly.



# CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

## CONSTRUCTION & GENERAL DIVISION SOUTH AUSTRALIAN BRANCH

### NOTES TO AND FORMING PART OF THE ACCOUNTS For the year ended 31<sup>st</sup> December, 2005

#### Note 3. 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 Section 272 of Schedule 1B, which read as follows:-

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

#### Note 4. Sustainment Fees

	2005 \$	2004 \$
C.F.M.E.U. - Federal Office	101,271	114,233
U.T.L.C.	13,210	12,214
	<u>\$114,481</u>	<u>\$126,447</u>

#### Note 5. Cash at Bank

##### Commonwealth Bank

Cheque Account	377,969	95,717
Trust Account	4,057	7,256
Members' Assistance Account	8,495	3,300
	<u>\$ 390,521</u>	<u>\$ 106,273</u>

# CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

## CONSTRUCTION & GENERAL DIVISION SOUTH AUSTRALIAN BRANCH

NOTES TO AND FORMING PART OF THE ACCOUNTS  
For the year ended 31<sup>st</sup> December, 2005

Note 6.	Fixed Assets	2005 \$	2004 \$
	Strata Title Units at COM Valuation (Refer Note 7)	-	716,425
	Less Accumulated Depreciation	-	-
		-	716,425
	Office Furniture & Equipment at Cost	31,301	75,034
	Less Accumulated Depreciation	(22,198)	(67,437)
		9,103	7,597
	<b>TOTAL FIXED ASSETS</b>	<b>\$9,103</b>	<b>\$724,022</b>

### Note 7. Strata Title Units

The Strata Title Units at 11 South Terrace, Adelaide (Trades Hall) were in the names of, and were previously valued, as follows:-

- \* Units 7 & 12      Amalgamated Construction, Mining & Energy Union of Australia, at COM valuation
- \* Units 8 & 9      Operative Plasterers & Plaster Workers' Federation of Australia, at COM valuation
- \* Unit 10            Operative Painters & Decorators' Union, at COM valuation
- \* Unit 11            Building Workers Industrial Union of Australia, at COM valuation
- \* Unit 25            CFMEU, Construction & General Division, 50% equity, at COM valuation

The sale of Trades Hall ultimately settled in September 2005.

**PENNA, Belinda**

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**From:** PENNA, Belinda  
**Sent:** Monday, 10 July 2006 1:06 PM  
**To:** 'Gail Gorman'  
**Subject:** RE: Secretary's Certificate  
**Attachments:** cfmeu sa c&g scan.pdf

Dear Gail,

Please find attached some correspondence relating to the Secretary's Certificate for the SA Construction & General Branch which was lodged for last financial year. The use of the words "documents presented to members" is not the best choice of word. Perhaps to say "provided" is a better choice of word.

Also, as I discussed briefly with Martin recently, he said he would withdraw the letter requesting for an "extension of time" for the Construction & General Branch as it was unnecessary, given that he advised me that he would be having the Committee of Management meeting on 28 June 2006.

If you or Martin would like to discuss this at all please call me on 02 8374 6618. (note that I will be available until 4.45pm today NSW time - I think that is 4.15 there?), and I will not be in the office tomorrow.

regards

*Belinda Penna*  
*NSW Registry Team*  
*Australian Industrial Registry*  
belinda.penna@air.gov.au  
(02) 8374 6618

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**From:** Gail Gorman [mailto:ggorman@sa.cfmeu.asn.au]  
**Sent:** Friday, 7 July 2006 4:53 PM  
**To:** belinda.penna@air.gov.au  
**Subject:** Secretary's Certificate

Hi Belinda,

Martin has asked me to confirm with you that this is the correct certificate that we need to send with our financial statements.

Thanks Gail

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

**(Construction and General Division)**

12/07/2006

**South Australian Divisional Branch)**

**FOR THE YEAR ENDED 31 DECEMBER, 2005.**

**Schedule 1B**

***Workplace Relations Act 1996***

**Section 268**

**CERTIFICATE**

Pursuant to Section 268 of Schedule 1B the *Workplace Relations Act 1996*, I, Martin O'Malley, certify that the documents attached hereto are copies of the documents presented to members of the above-named Division on \_\_\_\_\_ and presented to a presentation meeting being a meeting of the Divisional Branch Management Committee on \_\_\_\_\_

\_\_\_\_\_  
Divisional Branch Secretary  
CFMEU  
Construction & General Division  
South Australian Divisional Branch

\_\_\_\_\_  
Date

**PENNA, Belinda**

---

**From:** Martin O'Malley [momalley@sa.cfmeu.asn.au]  
**Sent:** Monday, 10 July 2006 5:56 PM  
**To:** belinda.penna@air.gov.au  
**Subject:** CFMEU SA Audited Report for C&G and M&E

Dear Belinda,

Please be aware that due to our ability to fulfil the 2005 auditing requirement as per the Act the extension of time requested for the South Australian Construction and General and the Mining and Energy Divisions are no longer required.

I thank you for your co-operation and assistance in this matter.

Martin O'Malley

**PENNA, Belinda**

---

**From:** Martin O'Malley [momalley@sa.cfmeu.asn.au]  
**Sent:** Monday, 10 July 2006 5:56 PM  
**To:** belinda.penna@air.gov.au  
**Subject:** CFMEU SA Audited Report for C&G and M&E

Dear Belinda,

Please be aware that due to our ability to fulfil the 2005 auditing requirement as per the Act the extension of time requested for the South Australian Construction and General and the Mining and Energy Divisions are no longer required.

I thank you for your co-operation and assistance in this matter.

Martin O'Malley



**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 Martin O'Malley  
Secretary, South Australian Divisional Branch, Construction and General Division  
Construction, Forestry, Mining and Energy Union  
1<sup>st</sup> Floor, 32 South Terrace  
ADELAIDE SA 5000

Dear Mr O'Malley

**Re: Lodgement of Financial Statements and Accounts – Construction and General Division, South Australian Branch – for year ending 31 December 2005 (FR2005/584)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 12 July 2006.

The legislative requirements have been met and the documents have been filed. I draw your attention however to two items for your future reference or action only if necessary.

Firstly, I note that in the Statement of Income and Expenditure the item Donations shows an amount of \$2,400. You will be aware that if this included any single donation exceeding \$1,000, s237 of the RAO Schedule requires a statement giving various particulars of that donation to be lodged. If this is relevant and you have not already done so, please lodge such a statement at your earliest opportunity.

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

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

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

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

Yours sincerely,

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

Stephen Kellett  
Statutory Services Branch

7 August 2006