



Australian Government
Australian Industrial Registry

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Ref: FR2004/707-[105N-VDST]

Mr Greg Hardy
District Branch Secretary
CFMEU Mining & Energy Division
Victorian District Branch
C/- 14 Hazelwood Road
MORWELL VIC 3840

Dear Mr Hardy

Financial Return - year ending 31 December, 2004

Our records show your organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

New legislation

This letter is intended as guide to the law applicable on the date of this letter and should not be used as a substitute for legal or accounting advice. We only summarise some of the reporting requirements in this letter. More detailed information is at the end of this letter.

The legislation has changed since your last return. In May 2003 the Industrial Registrar wrote to all organisations forwarding a number of facts sheets outlining the major changes made by Schedule 1B of the Workplace Relations Act 1996 ('RAO'¹). While the immediate changes affected the rules and elections in organisations, the changes affecting financial returns involve a longer lead time.

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

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

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

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

Reporting Unit

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

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

Industrial Registrar’s Guidelines

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

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

Timeline Planner and Checklist

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

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

Three Reports

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

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

Financial Statements containing:

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

Notes to the Financial Statements containing:

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

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

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

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

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

First Meeting (Committee of Management)

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

The Auditor

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

Informing Your Members

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

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

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

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

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

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

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

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

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

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

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

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au). When lodging the financial return please quote: **FR2004/707**.

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certification for illustrative purposes is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

Complying with time limits

This letter has outlined some of the steps in preparing and lodging your return. Many of the steps must be completed within fixed time limits.

Failure to complete them in time could make your reporting unit or its officers liable to financial or "civil penalties".

Extensions of Time

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed can be no more than one month.

Reduced Reporting Requirements

If your reporting unit meets certain conditions, some of these reporting requirements can be reduced. Such conditions might be where the annual income of the reporting unit (where the reporting unit is the whole of the organisation) is less than \$100,000, or where the reporting unit has no financial affairs in the financial year, or where the financial affairs of the reporting unit are encompassed by the financial affairs of its counterpart State industrial association.

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at peter.mckerrow@air.gov.au or belinda.penna@air.gov.au as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedure but we cannot give you legal or accounting advice.

Information on AIRC Website

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

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

Yours sincerely



for Deputy Industrial Registrar
19 January 2005

TIMELINE/ PLANNER

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

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

Attachment B

Documents Checklist

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
1	General Purpose Financial Report	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
2	Committee of Management Statement	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
3	Auditor's Report	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
4	Operating Report	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
5	Concise report*	
6	Certificate of Secretary or other Authorised Officer	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

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

Committee Of Management Statement

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

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

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

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

Title of Office held:

Signature:

Date:

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

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

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

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

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

Signature

Date:

¹RAO 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.

²Only applicable where a concise report is provided to members

³Insert whichever is applicable

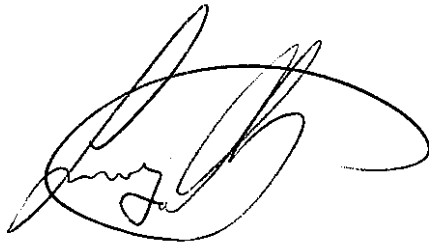
Certificate of Secretary or other Authorised Officer

s268 of Schedule 1B Workplace Relations Act 1996

I, Greg Hardy, being the Secretary of the Victorian District Branch, Mining and Energy Division, Construction, Forestry, Mining and Energy Union certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- that the full report was provided to members on 30 May 2005; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit 19 July 2005 in accordance with s266 of the RAO Schedule.

Signature:



Date: Thursday, 28 July 2005



**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
MINING AND ENERGY DIVISION
VICTORIAN DISTRICT BRANCH**

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

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OPERATING REPORT

Your Board of Management present their Operating Report on the Union for the year ended 31 December 2004.

Board of Management

The names of Board of Management (BOM) in office at any time during the year are:

Name	Position	Period of Appointment
Luke van der Meulen	District President	1/01/2004 to 31/12/2004
Greg Hardy	District Secretary	1/01/2004 to 31/12/2004
Graeme Middlemiss	District Vice President	1/01/2004 to 31/12/2004
Stuart Sceney	Board of Management	1/01/2004 to 31/12/2004
Brian Manley	Board of Management	1/01/2004 to 1/06/2004
Trevor Birkbeck	Board of Management	1/01/2004 to 31/12/2004
Jess Macri	Board of Management	1/01/2004 to 1/06/2004
Graeme Reid	Board of Management	1/01/2004 to 1/06/2004
Neil Somerville	Board of Management	1/01/2004 to 31/12/2004
Wayne van der Koogh	Board of Management	1/01/2004 to 31/12/2004
Steve Sanders	Board of Management	1/06/2004 to 31/12/2004
Trevor Williams	Board of Management	1/06/2004 to 31/12/2004
Stephen Groen	Board of Management	1/06/2004 to 31/12/2004
Stuart Blanch	Board of Management	1/06/2004 to 31/12/2004
George Rappold	Board of Management	1/06/2004 to 31/12/2004

Principal Activities

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

- Adherence to the rules of the District in furtherance of the objects of the Union consistent with the industrial relations legislation.
- Implementation of the decisions of the District Executive and Committee of Management.
- Implementation of the Union's organising agenda, including assistance and advice on organising site projects, training and development of officials and planning and resourcing campaigns.
- Industrial support including assistance with legal and legislative matters.
- The administration and variation of federal and state awards.
- Negotiation and registration of certified industrial instruments on behalf of members consistent with the objects of the Workplace Relations Act and the Union rules.
- Media and other communications to members and to the broader local communities of the District on issues affecting the rank and file.
- Monitoring and improving the health and safety of members.

Results of Activities

The District has been involved in lobbying and negotiating with different levels of Government and key industry organisations around issues of importance to the members, including but not limited to health and safety issues, industrial and compensation matters, superannuation entitlements and environmental matters impacting the mining industry.

The District has successfully implemented certified agreements for the benefits of members.

OPERATING REPORT continued

Significant Changes in Nature of Activities

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

Significant Changes in Financial Affairs

During the 2004 year the Union sold its former office with a view to re-locating to more modern offices with good sized offices and a better potential for sub-leasing to tenants. The sale of the former office realised a profit on sale of \$111,729.

During the year the Union has received a transfer of funds from the CFMEU Jobs and Conditions Action Campaign Trust. The transfer was performed under consultation of the Trustees and the Board of Management, being the campaign committee. The non-reciprocal transfer amount of \$121,650 has been booked as revenue in the year of receipt by the Union.

Membership of the Union

There were 1,114 members of the Union as at 31 December 2004.

Rights of Members to Resign

All members of the Union have the right to resign in accordance with Rule 5 (d) of the Union Rules (and section 174 of the Workplace Relations Act), namely, by providing written notice addressed and delivered to either the District Secretary, or a Lodge Secretary or authorised delegate.

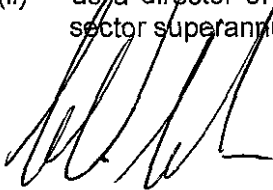
Employees of the Union

As at 31 December 2004 the Union employed 2 full time employees.

Superannuation Trustees

No officer or member of the Union acts:

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



.....
Luke van der Meulen

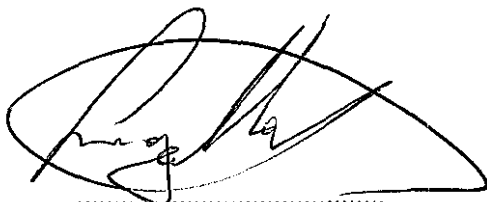
Signed this 30th day of May 2005.

BOARD OF MANAGEMENT STATEMENT

The Board of Management of the Construction Forestry Mining and Energy Union – Mining and Energy Division – Victorian District (“the Union”), do state that in the opinion of the Board, that:;

- (i) The financial report and notes comply with Australian Accounting Standards;
- (ii) The financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (iii) The financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the year ended 31 December 2004;
- (iv) There are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- (v) During the financial year ended 31 December 2004 and since the end of the financial year:-
 - (i) Meetings of the Board of Management were held in accordance with the rules of the organisation; and
 - (ii) The financial affairs of the Union have been managed in accordance with the rules of the organisation; and
 - (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; and
 - (iv) The financial records of the Union have been kept, as far as practicable, in a consistent manner to each other reporting unit of the organisation; and
 - (v) No information has been sought in any request of a member of the Union or by a Registrar duly made under section 272 of Schedule 1B to the Workplace Relations Act 1996; and
 - (vi) No orders have been made by the Industrial Registrar under section 273 of Schedule 1B to the Workplace Relations Act 1996.

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



Greg Hardy



Graeme Middlemiss

Signed this 30th day of May 2005.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

To the members of the Construction, Forestry, Mining and Energy Union - Mining & Energy Division – Victorian District.

SCOPE

We have audited the financial report of the Construction, Forestry, Mining and Energy Union - Mining & Energy Division – Victorian District ("the Union") for the year ended 31 December 2004 as set out on pages 5 to 14. The Union's Board of Management is responsible for the preparation and presentation of the financial report and the information it contains. We have conducted an independent audit of this 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 Accounting Standards, other mandatory professional reporting requirements and statutory requirements, so as to present a view 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, the financial report is in accordance with:

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


.....
Daley & Co.
Chartered Accountants
98 Kembla Street, Wollongong NSW 2500


.....
M L Gleeson
Registered Company Auditor

Signed at Wollongong NSW this 30th day of May 2005.

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

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

	NOTE	2004 \$	2003 \$
Revenues from Ordinary Activities	2	<u>819,894</u>	<u>789,029</u>
Expenses from Ordinary Activities			
Employee Benefits Expense		159,183	167,261
Depreciation and Amortisation Expense		9,760	7,079
Sustentation Fees		141,967	141,665
Membership Transfer Fee		50,000	50,000
Operating Expenditure		96,403	77,776
Written Down Value of Assets Sold		134,847	-
		<u>592,160</u>	<u>443,781</u>
OPERATING SURPLUS FOR THE YEAR		<u>227,734</u>	<u>345,248</u>

The accompanying notes form part of this financial report

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

	NOTES	2004 \$	2003 \$
CURRENT ASSETS			
Cash	3	683,615	337,859
Receivables	4	57,689	32,780
Prepayments		12,484	6,170
TOTAL CURRENT ASSETS		<u>753,788</u>	<u>376,809</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	50,118	142,830
TOTAL NON-CURRENT ASSETS		<u>50,118</u>	<u>142,830</u>
TOTAL ASSETS		<u>803,906</u>	<u>519,639</u>
CURRENT LIABILITIES			
Accounts Payable	6	100,220	63,028
Provisions	7	45,919	31,751
Other	8	35,613	30,440
TOTAL CURRENT LIABILITIES		<u>181,752</u>	<u>125,219</u>
TOTAL LIABILITIES		<u>181,752</u>	<u>125,219</u>
NET ASSETS		<u>622,154</u>	<u>394,420</u>
ACCUMULATED FUNDS			
Members Funds	9	<u>622,154</u>	<u>394,420</u>

The accompanying notes form part of this financial report

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

	NOTES	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		436,209	452,384
Interest Received		11,910	8,795
Rents Received		34,962	28,807
Other Income		20,241	5,545
Share of Assets on Translation		-	242,000
Funds Received – Campaign Trust Fund		121,650	-
Payments to Suppliers and Employees		(470,503)	(512,653)
NET CASH PROVIDED BY OPERATING ACTIVITIES	10	<u>154,469</u>	<u>224,878</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(51,895)	(2,468)
Proceeds from Sale of Property, Plant and Equipment		243,182	136
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>191,287</u>	<u>(2,332)</u>
NET INCREASE IN CASH HELD		345,756	222,546
CASH AT THE START OF THE FINANCIAL YEAR		337,859	115,313
CASH AT THE END OF THE FINANCIAL YEAR	3	<u><u>683,615</u></u>	<u><u>337,859</u></u>

The accompanying notes form part of this financial report

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

1. STATEMENT OF ACCOUNTING POLICIES

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

The financial report has been prepared on an accruals basis and is based on historical costs and do 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, unless otherwise stated.

(a) ESTABLISHMENT OF VICTORIAN DISTRICT BRANCH

The CFMEU – Mining and Energy Division National Office, lodged its original rules alterations establishing the Victorian District Branch on 22 February 2001. The Australian Industrial Registrar officially certified these alterations on 13 August 2001.

(b) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost, less where applicable any accumulated depreciation. The carrying amount of property, plant and equipment is reviewed periodically by Board of Management 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.

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
	%
Buildings	2.50
Computer Equipment	40.00
Motor Vehicles	22.50

(c) EMPLOYEE BENEFITS

Provision is made in respect of the Union's liability for annual leave, sick 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 where incurred.

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

continued

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(d) INCOME TAX

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

(e) OUTSTANDING CONTRIBUTIONS

District contributions have been accounted for on an accrual basis.

(f) CLASSIFICATION OF FINANCIAL INFORMATION

This financial report applies the revised standards AASB 1018 *Statement of Financial Performance*, AASB 1034 *Financial Report Presentation and Disclosures* and the new AASB 1040 *Statement of Financial Position*. Adoption of these standards has resulted in the transfer of the reconciliation of opening to closing accumulated funds from the face of the statement of financial performance to Note 9.

(g) COMPARATIVES

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

(h) ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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

The Union's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation.

The Committee of Management are of the opinion that key differences in the Union's accounting policies which may arise from the adoption of IFRS are:-

Impairment of Assets

The Union currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms of pending AASB 136: *Impairment of Assets*, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy may lead to impairments being recognised more often than under the existing policy.

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

continued

	2004 \$	2003 \$
2. OPERATING PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities is arrived at after taking into account:-		
(a) REVENUE:		
<i>Operating Activities</i>		
Contributions	392,917	411,179
Interest Received	12,934	8,305
Rents Received	32,492	27,487
Refunds/Reimbursements	16,719	1,922
	<u>455,062</u>	<u>448,893</u>
<i>Non-operating Activities</i>		
Proceeds from Sale of Fixed Assets	243,182	136
Funds Received – Campaign Trust Fund	121,650	
Share of Assets on Translation	-	340,000
	<u>364,832</u>	<u>340,136</u>
	<u>819,894</u>	<u>789,029</u>
(b) EXPENSES		
Depreciation of Non-Current Assets		
- Buildings	1,195	534
- Plant & Equipment	8,565	6,545
	<u>9,760</u>	<u>7,079</u>
Movements In Employee Entitlements		
Remuneration of Auditors	14,168	(15,341)
- Auditing the Financial Report	6,460	7,300
- Accounting & Taxation Services	848	2,412
	<u>7,308</u>	<u>9,712</u>
3. CASH		
Cash on Hand	300	300
Cash at Bank/Credit Unions		
• General Account	7,695	19,515
• Redundancy Account	-	46,731
• Term Deposit	675,620	271,313
	<u>683,615</u>	<u>337,859</u>

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

continued

	2004 \$	2003 \$
4. RECEIVABLES		
Current		
Contributions Receivable	25,199	28,752
Deposits Refundable	24,500	-
Other Debtors	6,460	3,522
Interest Receivable	1,530	506
	<u>57,689</u>	<u>32,780</u>
5. PROPERTY, PLANT AND EQUIPMENT		
LAND & BUILDINGS		
• Land	-	50,000
• Buildings	-	70,000
• Accumulated Depreciation	-	(534)
	<u>-</u>	<u>119,466</u>
OFFICE EQUIPMENT		
• At Cost	25,984	12,780
• Accumulated Depreciation	(5,810)	(4,843)
	<u>20,174</u>	<u>7,937</u>
MOTOR VEHICLES		
• At Cost	35,147	26,332
• Accumulated Depreciation	(5,203)	(10,905)
	<u>29,944</u>	<u>15,427</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>50,118</u>	<u>142,830</u>

Movements In Carrying Amounts

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

	LAND & BUILDINGS	OFFICE EQUIPMENT	MOTOR VEHICLES	TOTAL
Balance at Start of Year	119,466	7,937	15,427	142,830
Additions	-	16,748	35,147	51,895
Disposals – Assets	(120,000)	(3,544)	(26,332)	(149,876)
Amort/Depreciation Expense	(1,195)	(2,622)	(5,943)	(9,760)
Disposals – Accum Dep'n	1,729	1,655	11,645	15,029
Balance at End of Year	<u>-</u>	<u>20,174</u>	<u>29,944</u>	<u>50,118</u>

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

	2004 \$	2003 \$
6. ACCOUNTS PAYABLE		
Accrued Expenses	75,305	53,952
Tax Payable (GST)	24,915	9,076
	<u>100,220</u>	<u>63,028</u>
<i>Amounts Relating to:-</i>		
CFMEU – Mining & Energy Division	<u>38,889</u>	<u>10,923</u>
7. PROVISIONS		
Current		
Annual Leave	25,632	18,077
Sick Leave	20,287	13,674
	<u>45,919</u>	<u>31,751</u>
Employees as at balance date	<u>2</u>	<u>2</u>
Employee Benefits attributable to:		
• Office holders	36,317	26,173
• Staff	9,602	5,578
	<u>45,919</u>	<u>31,751</u>
8. OTHER LIABILITIES		
Income in Advance	<u>35,613</u>	<u>30,440</u>

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

Continued

	2004	2003
	\$	\$
9. MEMBERS FUNDS		
Opening Balance at Start of Year	394,420	49,172
Add: Surplus (Deficit) from Ordinary Activities	227,734	345,248
Balance at End of Year	<u>622,154</u>	<u>394,420</u>
Represented by:		
• General Funds	500,504	394,420
• Campaign Fund	121,650	-
	<u>622,154</u>	<u>394,420</u>
10. CASH FLOW INFORMATION		
RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING SURPLUS		
Net Operating Result from Ordinary Activities	227,734	345,248
Non Cash Items		
• Depreciation	9,760	7,079
• Share in Assets on Translation	-	(120,000)
• Profit on Sale of Fixed Assets	(111,729)	(136)
• Loss on Sale of Fixed Assets	3,394	-
Changes in Assets and Liabilities		
Increase in Contributions Receivable	3,553	(1,235)
Increase in Other Receivables	(28,462)	4,113
(Increase) Decrease in Prepayments	(6,314)	(3,508)
Increase (Decrease) in Accounts Payable	37,192	9,448
Increase (Decrease) in Provisions	5,173	(16,538)
Increase in Income in Advance	14,168	407
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>154,469</u>	<u>224,878</u>

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

continued

	2004	2003
	\$	\$
11. CAPITAL COMMITMENTS		
Payable not later than one year:		
- Purchase of Property	<u>257,630</u>	<u>-</u>

12. 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 272 of Schedule 1B which reads as follows:

- (1) A member of a Union, or a Registrar, may apply to the Union for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) An application must be made 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 Union.
- (3) The Union must comply with an application made under subsection (1).

13. RELATED PARTY INFORMATION

MEMBERS OF THE BOARD OF MANAGEMENT

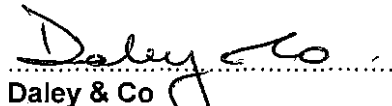
Persons holding positions within the Union and as members of the Board of Management during the year:

➤ Luke van der Meulen	(District President)
➤ Greg Hardy	(District Secretary)
➤ Graeme Middlemiss	(District Vice President)
➤ Stuart Sceney	(Board of Management)
➤ Brian Manley	(Board of Management – resigned 1/6/2004)
➤ Trevor Birkbeck	(Board of Management)
➤ Jess Macri	(Board of Management – resigned 1/6/2004)
➤ Graeme Reid	(Board of Management – resigned 1/6/2004)
➤ Neil Somerville	(Board of Management)
➤ Wayne van der Koogh	(Board of Management)
➤ Steve Sanders	(Board of Management – appointed 1/6/2004)
➤ Trevor Williams	(Board of Management – appointed 1/6/2004)
➤ Stephen Groen	(Board of Management – appointed 1/6/2004)
➤ Stuart Blanch	(Board of Management – appointed 1/6/2004)
➤ George Rappold	(Board of Management – appointed 1/6/2004)

DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION

The additional financial information presented on pages 16 to 17 is in accordance with the books and records of the Construction Forestry Mining and Energy Union – Mining and Energy Division Victorian District Branch (“The Union”) which have been subjected to the auditing procedures applied in our statutory audit of the Union for the year ended 31 December 2004. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the Union) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.


Daley & Co
Chartered Accountants
Wollongong NSW 2500

Signed this 30th day of May 2005

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

	2004 \$	2003 \$
INCOME		
Rent Received	32,492	27,487
Contributions	392,917	411,179
Profit on Sale of Fixed Assets	-	136
National Office Allowances & Reimbursements	16,719	1,922
Interest Income	12,934	8,305
TOTAL INCOME	455,062	449,029
EXPENDITURE		
Advertising	40	12
Affiliation Fees	4,616	2,569
Accounting and Audit Fees	7,308	9,712
Bank Charges	3,019	3,029
Cleaning	3,373	2,936
Computer Expenses	2,914	578
Consultancy Fees	2,085	-
Delegate Expenses	11,761	3,862
Depreciation	9,760	7,079
Donations	732	2,182
Electricity & Gas	1,889	1,415
Fringe Benefits Tax	1,918	2,203
Functions	3,377	960
Funeral Benefits	1,500	4,500
Insurance	4,333	5,866
Legal Fees	814	-
Loss on Sale of Property, Plant & Equipment	3,394	-
Membership Transfer Fee	50,000	50,000
Motor Vehicle Expenses	5,393	4,430
Office Expenses	4,684	5,820
Payroll Tax	8,719	6,111
Petty Cash	2,126	2,215
Postage, Printing and Stationery	7,624	5,668
Promotional Material	105	1,012
Provision for Annual Leave	7,555	9,902
Provision for Long Service Leave	-	(7,378)
Provision for Redundancy	-	(25,160)

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

	2004 \$	2003 \$
EXPENDITURE		
Continued		
Provision for Sick Leave	6,613	7,296
Rates	1,153	1,156
Repairs and Maintenance	1,657	1,449
Salaries and Wages – Full – Time Officers	80,752	66,390
Salaries and Wages – Part – Time Officers (Honorarium)	5,335	3,400
Salaries and Wages – Employees	46,348	97,615
Security	741	454
Staff Training	877	-
Subscriptions	3,892	-
Superannuation Contributions	12,580	15,196
Sustentation Fees	141,967	141,665
Telephone and Facsimile	9,389	9,637
Travelling Expenses	364	-
TOTAL EXPENDITURE	<u>460,707</u>	<u>443,781</u>
 OPERATING RESULT BEFORE NON RECURRING ITEMS	 <u>(5,645)</u>	 <u>5,248</u>
 NON RECURRING ITEMS		
Profit on Sale of Hazelwood Road	111,729	-
Funds Received – Campaign Trust Fund	121,650	-
Share of Assets on Translation	-	340,000
TOTAL NON RECURRING ITEMS	<u>233,379</u>	<u>340,000</u>
OPERATING RESULT FOR THE YEAR	<u><u>227,734</u></u>	<u><u>345,248</u></u>



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 Greg Hardy
District Branch Secretary
CFMEU Mining & Energy Division
Victorian District Branch
c/- 14 Hazelwood Road
MORWELL VIC 3840

Dear Mr Hardy

Branch financial return - year ending 31 December 2004 (FR2004/707)

I refer to the Branch financial return lodged in the Registry on 2 August 2005.

Before filing the documents, your comments are invited on the following:

Auditor's Disclaimer on Additional Financial Information

The auditor has, on page 16 of the financial documents, given a disclaimer over the financial data presented on pages 17 and 18 and indicated the audit did not cover all details of the data and that no opinion is given on its accuracy. The financial data on pages 17 and 18 includes amounts which, under the reporting Guidelines of the Industrial Registrar must be disclosed either in the notes to the financial statements or on the face of the profit and loss statement (see paragraphs 10 and 11 of the Guidelines for the purposes of s253(2)(b)(ii)). These items include:

- affiliation fees (paragraph 11(d))
- donations (11(f))

From their description, it would appear that under the legislation, these items should appear on the face of the profit and loss statement or in the notes and be subject to audit as part of the general purpose financial report.

I invite your comments and any the auditor may wish to make on whether the absence of this information in the audited financial statements is consistent with the legislation.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peter McKerrrow', written over a horizontal line.

Peter McKerrrow
for Deputy Industrial Registrar

1 September 2005



C H A R T E R E D

A C C O U N T A N T S

20th December 2005

Our Ref: MQ/BJ/RPJ:1205/R511
Reply To: Wollongong

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

Dear Sir,

**RE: CFMEU MINING & ENERGY DIVISION – VICTORIAN DISTRICT
BRANCH FINANCIAL RETURN – YEAR ENDED 31 DECEMBER 2004 (FR2004/707)**

We refer to your recent correspondence direct to the District Branch Secretary and ourselves regarding the above client's 2004 financial report.

BACKGROUND

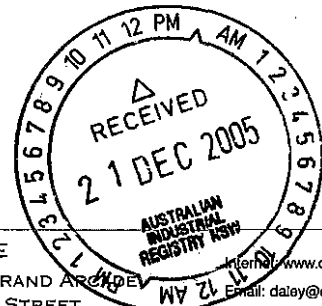
In your correspondence you referred to our '*Auditor's Disclaimer on Additional Financial Information.*' We wanted to take this opportunity to note that the inclusion of this disclaimer is not an uncommon occurrence where our clients request that we prepare detailed reports containing information that is more in the nature of management reporting.

Whilst the information comes from records that have been generally subject to audit, it is common reporting policy (including our own) to segregate such information from the audited financial report.

We acknowledge that certain disclosures specified by the Guidelines of the Industrial Registrar have been accidentally overlooked in the preparation of the audited revenue and expenditure notes, as distinct from the full disclosures in the revenue and expenditure statement(s).

We have discussed these matters with our client, and advise that all the statutory disclosures required by the Guidelines will be inserted into 'Notes to the Financial Report' to ensure it is subject to our audit.

We will also ensure that comparatives (2004 year) are updated to be in line with 2005 disclosures.



PARTNERS
MICHAEL GLEESON
ENZO FRINO
PETER NIERLE
ALAN NAUGHTON
ANDREW STEPHENSON
MICHAEL QUINN

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Internet: www.daley.com.au
Email: daley@daley.com.au

AFFILIATION FEES

We apologise for the oversight of the audit disclosure in respect to affiliation fees. We have reviewed these costs and confirm that we will disclose such costs in Note 2(b) to the financial report in future years.

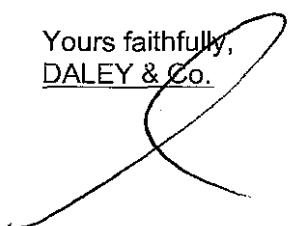
DONATIONS

We confirm that no donation exceeding \$1,000 was made to any one organisation.

Thank you for raising these matters with us.

If you have any further questions regarding the above please do not hesitate to contact our Wollongong office.

Yours faithfully,
DALEY & Co.





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

Your Ref: MQ/BJ/RPJ:1205/R513

Mr Michael Quinn
Daley & Co. Chartered Accountants
PO Box 333
WOLLONGONG NSW 2520

Dear Mr Quinn

**Financial Returns for years ending 31 December 2004 – Mining and Energy
Division (FR2004/678) – Victorian District Branch (FR2004/707) –
South Western District Branch (FR2004/702)**

Thank you for your letters dated 20 December 2005 regarding the above financial returns, addressing the issues raised in previous correspondence.

Accordingly, the documents have now been filed. Thank you for attending to the matter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S. Kellett'.

Stephen Kellett
for Deputy Industrial Registrar

21 December 2005



Australian Government
Australian Industrial Registry

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

Mr Greg Hardy
Secretary, Victorian District Branch
Mining & Energy Division, CFMEU
c/- 14 Hazelwood Road
MORWELL VIC 3840

Dear Mr Hardy

Financial Return - year ending 31 December 2004 (FR2004/707)

I refer to the above financial return and to previous correspondence. The Registry has received a letter from the auditor, Daley & Co, addressing the issues raised.

Accordingly, the documents have now been filed. Thank you for attending to the matter.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'S. Kellett', written in a cursive style.

Stephen Kellett
for Deputy Industrial Registrar

21 December 2005