



**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: FR2004/708-[105N-VIC]**

Mr Martin Kingham  
Branch Secretary  
CFMEU Construction & General Division  
Victorian Building Unions Divisional Branch  
Box 89, Trades Hall  
54 Victoria Street  
CARLTON SOUTH VIC 3053

Dear Mr Kingham

**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'<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: **FR2004/708**.

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](mailto:peter.mckerrow@air.gov.au) or [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  
20 January 2005



**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	✓
<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**

---

**From:** Adrian Waterfall [adrianw@vic.cfmeu.asn.au]  
**Sent:** Tuesday, 14 June 2005 10:05 AM  
**To:** belinda.penna@air.gov.au  
**Subject:** Request for extension to lodgement of Financial returns of CFMEU - Construction and General Division Victorian Branch

Belinda

I have had a fire at our offices on the Wednesday 1st June 2005. This left our office with no power. The financial are at the last stage of being published, but some of the articles were on the computers delaying the publication. I hope to have it sent to members next week. The second management meeting to accept the published accounts will then be in July after the 30 June due date.

Adrian Waterfall  
Manager

**McKERROW, Peter**

---

**From:** McKERROW, Peter  
**Sent:** Wednesday, 22 June 2005 4:14 PM  
**To:** 'adrianw@vic.cfmeu.asn.au'  
**Subject:** Request for extension of time (FR2004/708) - financial reporting

Dear Mr Waterfall

I confirm receipt of your email of 14 June requesting an extension of time and our phone discussion today.

The Deputy Registrar will be writing to the Divisional Branch Secretary tomorrow in relation to this request.

I will arrange for the letter to be marked to your attention and faxed when it is signed.

Regards  
Peter McKerrow  
Assistant Manager NSW Registry

PENNA, Belinda

---

**From:** MCKERROW, Peter  
**Sent:** Thursday, 23 June 2005 2:27 PM  
**To:** PENNA, Belinda  
**Subject:** FW: Spam:Request for extension of time (FR2004/708) - financial reporting

fax

-----Original Message-----

**From:** Adrian Waterfall [mailto:adrianw@vic.cfmeu.asn.au]  
**Sent:** Wednesday, 22 June 2005 6:59 PM  
**To:** MCKERROW, Peter  
**Subject:** RE: Spam:Request for extension of time (FR2004/708) - financial reporting

Peter

Thank you for the response.

Can It be faxed to 03 9348 1794 - we have a newer fax number 03 9341 3427 but this is not working until Friday 5.00pm when the phones are turned back on after the fire.

Adrian Waterfall  
Manager

-----Original Message-----

**From:** MCKERROW, Peter [mailto:Peter.MCKERROW@air.gov.au]  
**Sent:** Wednesday, 22 June 2005 4:14 PM  
**To:** Adrian Waterfall  
**Subject:** Spam:Request for extension of time (FR2004/708) - financial reporting

Dear Mr Waterfall

I confirm receipt of your email of 14 June requesting an extension of time and our phone discussion today.

The Deputy Registrar will be writing to the Divisional Branch Secretary tomorrow in relation to this request.

I will arrange for the letter to be marked to your attention and faxed when it is signed.

Regards  
Peter McKerrow  
Assistant Manager NSW Registry

\*\*\*\*\*  
This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager.

This footnote also confirms that this email message has been swept for the presence of computer viruses.

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**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

# FACSIMILE

TO	Attn: Mr Adrian Waterfall, Manager		
Organisation	CFMEU Construction & General Division, Victorian Divisional Branch		
Fax Number	03 9348 1794	Phone Number	(03) 9341 3444
FROM	Belinda Penna		
Email	belinda.penna@air.gov.au		
Location	Australian Industrial Registry		
Fax Number	02 9380 6990	Phone Number	02 8374 6618
No of Pages (including cover)	3	Date	23/06/2005
Please notify sender if not all pages were received.		Time	2:43 PM

Any information about individuals contained in this fax is **CONFIDENTIAL** and may **NOT** be used or disclosed further. If you are **NOT** the intended recipient, please contact the sender **IMMEDIATELY**.

**MESSAGE:**

Please see attached letter Re: Extension of Time to Lodge Financial Return for the year ended 31 December 2004.



**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 Kingham  
Branch Secretary  
CFMEU Construction & General Division  
Victorian Building Unions Divisional Branch  
Box 89, Trades Hall  
CARLTON SOUTH VIC 3053

Dear Mr Kingham

**Financial Return for year ending 31 December 2004 (FR 2004/708)**

I refer to the email of 14 June 2005 from Mr Waterfall of your office seeking an extension of time.

Before addressing your specific request, it may help if I first explain what power a Registrar has to extend time limits for reporting under sections 265 and 266 of the RAO Schedule.

This will depend on which of the following two reporting options a reporting unit chooses:

s265(5)(a) - presenting full report to members' meeting(s)

The reporting unit provides the full report (or a concise report) to members and after no less than 21 days, presents the full report to a general meeting of members. If you choose this option, the general meeting must be held within 6 months of the end of a financial year.

*Power to extend time*

Under s265(5), a reporting unit may apply to a Registrar to extend the period during which the general meeting must be held by no more than one month, namely from 6 months to no more than 7 months from the end of a financial year.

*Effect of Extending Time by one month*

The general meeting must be held with 7 months of the end of the financial year; the full or concise report must still be provided to members at least 21 days before the general meeting.

s265(5)(b) - presenting full report to committee of management meeting

The reporting unit provides the full report (or a concise report) to members and presents the full report to a meeting of its committee of management. If you choose this option, you must provide the report to members within 5 months of the end of the financial year. The committee of management meeting must be held within six months of the end of the financial year - see s265(1) and (3). This option is only available if the rules of your reporting unit provide for the matters specified in s266(3).

*Power to extend time*

Under s265(5), a reporting unit may apply to a Registrar to extend the period to provide the full or concise report to members by no more than one month, namely from 5 months to no more than 6 months from the end of the financial year.

*Effect of Extending Time by one month*

The full or concise report must be provided within 6 months of the end of the financial year and the committee of management meeting must be held within 7 months of the end of the financial year.

Making an application under s265(5)

If your reporting unit wishes to apply for an extension of time, its application should state clearly:

- whether it intends to present the full report to members' meeting or a committee of management meeting; and
- the period of extension it seeks; and
- provide reasons.

The application should be signed by an officer of the reporting unit.

Your correspondence

I note the Branch's email seeks an "extension to lodge". As noted above, please clarify which of the options you intend to adopt. I will then consider your application and advise you of my decision.

I have treated your application as lodged on 14 June 2005.

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

Yours sincerely



Barry Jenkins  
Deputy Industrial Registrar

23 June 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

Ref: FR2004/708-[105N-VIC]

Mr Martin Kingham  
Branch Secretary  
Construction, Forestry, Mining and Energy Union-  
Construction and General Division, Victorian  
Building Unions Divisional Branch  
Box 89, Trades Hall  
54 Victoria Street  
CARLTON SOUTH VIC 3053

Dear Mr Kingham

**Construction, Forestry, Mining and Energy Union-Construction and General Division,  
Victorian Building Unions Divisional Branch - Outstanding Financial Return**  
*Workplace Relations Act 1996*

The Accounts and Audit Part of Schedule 1B of the *Workplace Relations Act 1996* requires, as a general rule, that the audited financial statements of a reporting unit of a registered organisation be lodged in the Industrial Registry within 6 months and 14 days from the end of its financial year.

To date, the Registry has no record of lodgement of the financial reports of the above named reporting unit for the year ended 31 December, 2004. For details of these provisions and organisations' financial reporting obligations please refer to the Registry's earlier correspondence.

In particular there is no record of lodgement of copies of:

- the general purpose financial report;
- the auditor's report; or
- the operating report.

These three reports are referred to as the "full report".

Section 268 of the RAO Schedule<sup>1</sup> requires that a copy of the full report be lodged in the Registry within 14 days (or such longer period a Registrar allows) after the full report is presented to a general meeting of members (or to a committee of management meeting if the rules make provision consistent with s266(3)).

<sup>1</sup> Schedule 1B of the *Workplace Relations Act 1996*



Section 266(1) requires that the full report be presented to the meeting within 6 months from the end of the financial year. Therefore, lodgement of the documents in the Registry was required by 17 July, 2005.

Section 305(2)(ze) of the RAO Schedule is a civil penalty provision. It provides that a failure to meet the requirements of s268 is a contravention of that civil penalty provision. The Federal Court may on application of the Industrial Registrar impose a pecuniary penalty on the person or organisation whose conduct contravened the civil penalty provision.

I also draw your attention to the provisions of Part 1 of Chapter 9 of the RAO Schedule which set out the general duties of officers and employees of organisations and their branches in relation to financial management.

In the absence of lodgement of a copy of the full report, I request you state in writing by 16 September 2005:

- whether the auditor has audited the general purpose financial report, and if so, the date on which the auditor signed the audit report;
- whether the committee of management has prepared the operating report;
- whether the full report has been provided to members, and if so, when;
- whether the full report provided to the members has been presented to a general or committee of management meeting, and if so, when;
- when a copy of the full report will be lodged in the Industrial Registry.

The full report when lodged must be accompanied by a certificate of the secretary or other authorised officer that the documents lodged are copies of the documents provided to members and presented to the general or committee of management meeting in accordance with s266.

If you wish to discuss this letter, please contact me on (02) 8374 6666 or email [riasydney@air.gov.au](mailto:riasydney@air.gov.au). In reply please quote the FR reference number at top left on the first page.

Yours sincerely



Peter McKerrow  
for Deputy Industrial Registrar

31 August 2005

10<sup>th</sup> August 2005

Attention: Mr. Peter McKerrow

Australian Industrial Registry  
Level 8, Terrace Towers  
80 William Street, East Sydney,  
NSW 2011

**CONSTRUCTION**

**FORESTRY**

**MINING**

**ENERGY**

**UNION**

Dear Mr. McKerrow,

Re: Financial Return for the year ending 31 December, 2004  
FR 2004/708

The financial Accounts for the Construction and General Division, Victoria Branch of the Construction, Forestry, Mining and Energy Union for 2004 have been completed and audited. Attached is a copy of audited accounts.

These accounts were published in the Winter Journal for 2005. The audited accounts were then re-presented to the Management Committee on the 9th August, 2005.

Yours faithfully



Martin Kingham  
State Secretary  
CFMEU Construction and General Division (Victoria Branch)

VICTORIAN  
DIVISIONAL BRANCH  
500 SWANSTON STREET  
CARLTON STH, VIC 3053

PH: (03) 9341 3444

FAX: (03) 9341 3427



**CFMEU CONSTRUCTION AND  
GENERAL DIVISION (VICTORIAN BRANCH)**

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



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

## **CONSTRUCTION AND GENERAL DIVISION**

### **VICTORIAN BUILDING UNIONS DIVISIONAL BRANCH**

#### **OPERATING REPORT FOR THE YEAR ENDED 31ST DECEMBER 2004**

##### **Operating Report**

###### **Introduction**

In 2004 the CFMEU Construction and General Division (Victoria Branch) ("CFMEU") remains an organisation committed to providing a broad range of services to members and defending their rights.

###### **Principal Activities**

The principal activity of the CFMEU is that of a registered trade union in Australia reporting in accordance with the requirements of the Workplace Relations Act. The many benefits of membership include unity in EBA negotiations employing organisers to help members, access to training, access to occupational health and safety representatives and legal advice.

###### **Financial Position**

The CFMEU is in a secure financial position because management have ensured that a "safety net" exists for members both individually and that our united strength can be defended. The surplus for the year ended 31 December 2004 was \$5,033,984. Management have also committed resources to planning and implementing new technologies in our offices, so that the union can maintain the delivery of services to its members as our membership grows and as reporting requirements change. No significant changes have occurred in relation to the financial affairs of the CFMEU during the financial year.

###### **Number of Employees**

The union had 69 employees.

###### **Number of Members**

The number of members for the year ended 31 December 2004 was 23,074.

###### **Rights of Members**

A member can resign from membership by written notice and in accordance with Section 174 of Schedule 1B of the Workplace Relations Act 1996 and the rules of the CFMEU.

###### **Superannuation Office Holders**

Martin Kingham acts as alternative trustee to Albert Littler on the Board of C+BUS (Super for the Construction & Building Industries).

###### **Office Holders**

The names of the executives who held office during the financial year are:

M.Kingham	1 January 2004 to 31 December 2004
W.Oliver	1 January 2004 to 31 December 2004
F.O'Grady	1 January 2004 to 31 December 2004
J.Cummins	1 January 2004 to 31 December 2004
J. Setka	1 January 2004 to 31 December 2004
M. Bull	1 January 2004 to 31 December 2004

**THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION**  
**CONSTRUCTION AND GENERAL DIVISION**  
**VICTORIAN BUILDING UNIONS DIVISIONAL BRANCH**  
**OPERATING REPORT FOR THE YEAR ENDED 31ST DECEMBER 2004**

**Operating Report (continued)**

A. Mcloughlin	1 January 2004 to 31 December 2004
S. Reardon	1 January 2004 to 31 December 2004
E. Spornovasilis	1 January 2004 to 31 December 2004
S. Bergić	1 January 2004 to 31 December 2004
J. Canning	1 January 2004 to 31 December 2004
B. Giagnacovo	1 January 2004 to 31 December 2004
A. Littler	1 January 2004 to 31 December 2004
M. Newham	1 January 2004 to 31 December 2004
G. Paterson	1 January 2004 to 31 December 2004
R. Perham	1 January 2004 to 31 December 2004
S. Sposito	1 January 2004 to 31 December 2004
G. Stephenson	1 January 2004 to 31 December 2004
G. Thorson	1 January 2004 to 31 December 2004
R. Williams	1 January 2004 to 31 December 2004
F. Akbari	1 January 2004 to 31 December 2004
D. Noonan	1 January 2004 to 31 December 2004

**SIGNED**

for and on behalf of the Divisional Branch Management Committee

DATE 12 April 2005

  
MARTIN KINGHAM  
State Secretary

**THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION**  
**CONSTRUCTION AND GENERAL DIVISION**  
**VICTORIAN BUILDING UNIONS DIVISIONAL BRANCH**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 31ST DECEMBER 2004**

	Notes	2004 \$	2003 \$
Revenues from ordinary activities	2	<u>15,679,945</u>	<u>13,578,656</u>
Office and administration		(1,092,904)	(1,507,103)
Capitation, affiliation and amalgamation costs		(1,182,757)	(451,440)
Depreciation	3	(562,998)	(578,793)
Direct Employee Benefits - Office Holders		(928,528)	(895,407)
Direct Employee Benefits - Other Employees		(4,369,171)	(3,884,027)
Employee related costs		(1,105,736)	(977,801)
Occupancy		(477,797)	(483,477)
Organisers, conference and consultancy expenses		(648,072)	(1,779,753)
Journal costs		(277,048)	(220,074)
		<u>(10,645,011)</u>	<u>(10,777,875)</u>
Borrowing costs expense	3	(950)	(7,490)
Profit from ordinary activities		<u>5,033,984</u>	<u>2,793,291</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>5,033,984</u>	<u>2,793,291</u>

The Statement of financial performance are to be read in conjunction with the attached notes.

**THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION**  
**CONSTRUCTION AND GENERAL DIVISION**  
**VICTORIAN BUILDING UNIONS DIVISIONAL BRANCH**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 31ST DECEMBER 2004**

	NOTE	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash Assets	4	270,677	541,524
Receivables	5	417,254	143,489
Inventories		42,449	22,503
Other Financial Assets	6	5,351,771	5,788,541
Prepayments		165,761	94,478
		<u>6,247,912</u>	<u>6,590,535</u>
<b>NON-CURRENT ASSETS</b>			
Floating Notes for Fixed term	6	11,400,000	6,200,000
Units in Trust ACTU Fin Services	6	1,682	1,682
Land and Buildings	7	7,628,650	5,821,038
Plant and Equipment	7	1,723,136	1,623,794
		<u>20,753,468</u>	<u>13,646,514</u>
<b>TOTAL ASSETS</b>		<u>27,001,380</u>	<u>20,237,049</u>
<b>CURRENT LIABILITIES</b>			
Payables	8	1,815,192	1,979,051
Provision for Employee Entitlements	9	1,878,026	1,568,880
<b>TOTAL LIABILITIES</b>		<u>3,693,218</u>	<u>3,547,931</u>
<b>NET ASSETS</b>		<u>23,308,162</u>	<u>16,689,118</u>
<b>MEMBERS' FUNDS</b>			
Asset Revaluation Reserve	10	2,280,316	695,256
Accumulated Member's Funds	11	21,027,846	15,993,862
<b>TOTAL MEMBERS' FUNDS</b>		<u>23,308,162</u>	<u>16,689,118</u>

**THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION  
VICTORIAN BUILDING UNIONS DIVISIONAL BRANCH**

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

	Note	2004	2003
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from members		11,827,519	10,267,827
Operating grant receipts		2,384,430	1,799,679
Donations received		228,318	737,440
Receipts from sale of publications		67,432	47,054
Interest received		836,063	568,700
Payments to suppliers and employees		(9,079,395)	(7,856,859)
Payments - CFMEU - C&G National Office		(858,017)	(888,214)
Borrowing costs		(950)	(7,490)
<b>Net cash provided by operating activities</b>	19(b)	<u>5,405,400</u>	<u>4,668,137</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(975,434)	(507,509)
Payment for investments		(4,763,230)	(3,465,607)
Proceeds from sale of property, plant and equipment		62,417	149,023
<b>Net cash used in investing activities</b>		<u>(5,676,247)</u>	<u>(3,824,093)</u>
Net (decrease)/increase in cash held		(270,847)	844,044
Cash at beginning of financial year		541,524	(302,520)
Cash at end of financial year	19(a)	<u>270,677</u>	<u>541,524</u>

The Statement of Cash Flows are to be read in conjunction with the attached notes.



## CFMEU CONSTRUCTION AND GENERAL DIVISION (VICTORIAN BRANCH)

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

#### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report which has been prepared for distribution to the members to fulfil the Executive's financial reporting requirements under the **Workplace Relations Act 1996**.

The Executive have prepared the financial report in accordance with Australian Accounting Standards, Urgent Issues group Consensus Views and other authorities' pronouncements of the Australian Accounting Standards Board and the requirements of the **Workplace Relations Act 1996**.

The financial report has been prepared on the accrual basis of accounting including the historical cost convention and the going concern assumption basis, with the exception of membership income which is brought to account on a cash basis

#### A. Income Tax

No provision for income tax has been raised as the union is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

#### B. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

#### C. Fixed Assets

Freehold land and buildings are carried at fair value. At each reporting date, the value of each asset in this class is reviewed to ensure that it does not differ materially from the assets' fair value at that date.

Other fixed assets are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the union commencing from the time the asset was held ready for use.

The carrying amount of fixed assets is reviewed annually by executives to ensure it is not in excess of the recoverable amount of those assets.

The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation is provided on a straight-line basis for all property, plant and equipment, other than freehold land.

Depreciation rates used are as follows:

Buildings	2.5%
Leasehold improvements	15%
Plant & equipment	7.5-22.5%
Motor vehicles	22.5%
Furniture, fixtures & fittings	15-25%
Computer equipment	37.5%

#### D. Investments

Current and non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by executives' to ensure it is not in excess of the recoverable amount of these investments. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

## CFMEU CONSTRUCTION AND GENERAL DIVISION (VICTORIAN BRANCH)

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

#### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### **E. Employee Entitlements**

Provision is made for the union's liability for employee benefits arising from services rendered by employees to balance date. Employee entitlements consist of annual leave, long service leave and redundancy pay which are accrued in line with employee agreements. Entitlements are unconditional and as such are recorded as current liabilities. Contributions are made by the union to an employee superannuation fund and are charged as expenses when incurred.

##### **F. Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments with terms of less than 90 days, net of outstanding bank overdrafts.

##### **G. Revenue Recognition**

Revenue from membership is recognised on a cash basis.

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of goods and services tax (GST).

##### **H. Receivables**

Receivables represent the principal amounts due at balance date less, less applicable provision for doubtful accounts. An estimate of doubtful debts is made when collection of the full amount is no longer probable.

##### **I. Payables**

Payables represent the fair value of the consideration to be paid in future for goods and services, whether or not billed. Plus where applicable any accrued interest.

##### **J. Comparative Figures**

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

##### **K. 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 subsections (1), (2) and (3) of Section 274, which read as follows;

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under Sub-Section (1) by a member of the organisation or a Registrar, make the specified information available for the member or Registrar in such manner, and within such time, as is prescribed.
- (3) A Registrar may only make an application under Sub-section (1) at the request of members of the organisation concerned, and the Registrar shall provide to members information received because of an application made at the request of the members.

##### **L. Information Available to Members**

In accordance with the Workplace Relations Act 1996 a member of the union may apply for and receive prescribed information from the union pursuant to section 272 of Schedule 1B.

**THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION  
VICTORIAN BUILDING UNIONS DIVISIONAL BRANCH  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2004**

Note	Note	2004 \$	2003 \$
<b>2 REVENUE</b>			
<b>Operating activities</b>			
membership subs		9,308,260	7,820,876
levy		805,233	717,336
donations		228,318	737,440
interest received	2(a)	836,063	568,700
Grant income		2,381,604	1,728,433
training fees received		1,232,885	346,701
EBA processing fee		277,695	536,347
other revenue		547,470	615,314
proceeds on sale of P&E		62,417	507,509
		<u>15,679,945</u>	<u>13,578,656</u>
<b>2(a) interest from other persons</b>		<u>836,063</u>	<u>568,700</u>
<b>3 PROFIT FROM ORDINARY ACTIVITIES</b>			
Profit from ordinary activities has been determined after:			
Charging as Expenses:			
Borrowing costs		950	7,490
Depreciation of property, plant and equipment		562,998	578,793
Affiliation Fees		156,138	174,871
Capitations fees - CFMEU - C&G National Office		1,026,618	936,642
Donations		24,140	11,376
Legal Fees		168,361	194,766
Meeting Expenses		3,418	30,506
Remuneration of the auditors:			
audit services		22,275	21,950
other services		-	-
other services-predecessor		-	13,035
		<u>22,275</u>	<u>34,985</u>
Net loss on disposal of non-current assets			
Property, plant and equipment		28,126	53,776
<b>4 CASH ASSETS</b>			
Cash on hand		2,200	2,200
Cash at Bank		268,477	539,324
		<u>270,677</u>	<u>541,524</u>
<b>5 RECEIVABLES</b>			
<b>CURRENT</b>			
Trade Debtors		424,110	136,773
Less provision for doubtful debts		(6,856)	(24,211)
Other debtors		-	30,927
		<u>417,254</u>	<u>143,489</u>
<b>6 OTHER FINANCIAL ASSETS</b>			
<b>CURRENT</b>			
Other current investments-at cost			
Bills of exchange maturing within 12 months		<u>5,351,771</u>	<u>5,788,541</u>
<b>NON-CURRENT</b>			
Unlisted trusts- at cost		<u>1,682</u>	<u>1,682</u>
Other investments -at cost			
BILLS of exchange maturing in over 12 months		<u>11,400,000</u>	<u>6,200,000</u>

# THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

## CONSTRUCTION AND GENERAL DIVISION

### VICTORIAN BUILDING UNIONS DIVISIONAL BRANCH

#### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2004

Note	2004 \$	2003 \$
<b>7. FIXED ASSETS</b>		
<b>Land and Buildings</b>		
Freehold land at independent valuation	6,069,400	1,866,434
	<u>6,069,400</u>	<u>1,866,434</u>
Buildings at Independent Valuation	1,559,250	3,852,218
Less: Accumulated depreciation	-	(117,065)
	<u>1,559,250</u>	<u>3,735,153</u>
Improvements	-	512,416
Less: Accumulated depreciation	-	(292,965)
	<u>-</u>	<u>219,451</u>
<b>TOTAL LAND AND BUILDINGS</b>	<u><u>7,628,650</u></u>	<u><u>5,821,038</u></u>

#### Valuations

The revaluations of freehold land and buildings were based on the assessment of their current market subject to vacant possession.

The independent revaluations dated 15th & 16th of December 2004

were carried out by N. Diamantopoulos AAPI registered valuer with LandMark White.

The valuation was made in accordance with a regular policy of obtaining independent valuation of land and buildings every three years to ensure that

requirements of accounting standards regarding fair value basis of valuation are met.

#### PLANT AND EQUIPMENT

(a) Plant and Equipment	616,187	568,337
Less: Accumulated depreciation	(369,897)	(328,066)
	<u>246,290</u>	<u>240,271</u>
(b) Training Equipment	8,175	-
Less: Accumulated depreciation	(1,668)	-
	<u>6,507</u>	<u>-</u>
(c) Computer Equipment	901,545	871,986
Less: Accumulated depreciation	(687,052)	(573,762)
	<u>214,493</u>	<u>298,224</u>
(d) Furniture and Fittings	370,037	367,448
Less: Accumulated depreciation	(245,582)	(214,026)
	<u>124,455</u>	<u>153,422</u>
(e) Motor Vehicles at Cost	1,870,303	1,516,397
Less: Accumulated depreciation	(738,912)	(584,520)
	<u>1,131,391</u>	<u>931,877</u>
<b>TOTAL PLANT AND EQUIPMENT</b>	<u><u>1,723,136</u></u>	<u><u>1,623,794</u></u>
<b>TOTAL FIXED ASSETS</b>	<u><u>9,351,786</u></u>	<u><u>7,444,832</u></u>

**THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION**  
**CONSTRUCTION AND GENERAL DIVISION**  
**VICTORIAN BUILDING UNIONS DIVISIONAL BRANCH**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2004**

Note

**7 FIXED ASSETS (continued)**  
**Movements in Carrying amounts**

Movements in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

2004	Land & Improvements Buildings	Plant & Training Equipment	Equipment
Balance at the beginning of the year	5,601,587	219,451	240,271
Additions	299,593	22,829	47,850
Disposals	-	-	-
Depreciation expense	(60,203)	(39,667)	(41,831)
Revaluation	1,787,674	(202,613)	-
Carrying amount at end of year	<u>7,628,650</u>	<u>-</u>	<u>246,290</u>

2004	Motor vehicles	Furniture & Fittings	Computer Equipment	Total
Balance at the beginning of the year	931,877	153,422	298,224	7,444,832
Additions	519,689	2,589	75,829	976,554
Disposals	(76,380)	-	(15,282)	(91,662)
Depreciation expense	(243,795)	(31,556)	(144,278)	(562,998)
Revaluation	-	-	-	1,585,060
Carrying amount at end of year	<u>1,131,391</u>	<u>124,455</u>	<u>214,493</u>	<u>9,351,786</u>

**THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION**  
**CONSTRUCTION AND GENERAL DIVISION**  
**VICTORIAN BUILDING UNIONS DIVISIONAL BRANCH**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2004**

Note	2004 \$	2003 \$
<b>8 PAYABLES</b>		
Trade creditors	680,468	941,534
CFMEU - C&G National Office	629,280	460,678
Legal creditors	63,759	124,996
Sundry Creditors and Accruals	256,293	451,844
GST Payables	185,392	-
	<u>1,815,192</u>	<u>1,979,052</u>
<b>9 PROVISION FOR EMPLOYEE ENTITLEMENTS</b>		
Provision for annual leave - Office Holders	165,772	160,717
Provision for annual leave - Other Employees	370,373	291,356
Provision for long service leave - Office Holders	179,891	140,950
Provision for long service leave - Other Employees	469,546	376,443
Provison for redundancy - Office Holders	202,973	177,140
Provison for redundancy - Other Employees	489,471	422,274
	<u>1,878,026</u>	<u>1,568,880</u>
<b>10 ASSET REVALUATION RESERVES</b>		
Balance at 1 January	695,256	695,256
Surplus on revaluation	1,585,060	-
Balance at 31 December	<u>2,280,316</u>	<u>695,256</u>
<b>11 ACCUMULATED MEMBERS' FUNDS</b>		
Balance at 1 January	15,993,862	13,200,571
Net surplus attributable to members of entity	5,033,984	2,793,291
Balance at 31 December	<u>21,027,846</u>	<u>15,993,862</u>

**12 RELATED PARTY TRANSACTIONS**

Capitation fees are paid to CFMEU - Construction and General Division National Office as disclosed in Note 3 as a percentage of membership income and the minimum membership rate set by the National Office.

**13. EVENTS SUBSEQUENT TO BALANCE DATE**

As noted in prior year accounts the legal action taken by a company against the CFMEU has been discontinued by the plaintiff. We note that discontinuance in 2003 does not prevent the plaintiff from instituting new proceedings about the claim. The claim will only be extinguished by the plaintiff signing a release, or by the expiration of the limitation period.

The FEDFA Division Victorian Branch have made an agreement with the CFMEU - Victorian Building Unions Divisional Branch to merge their memberships. This is scheduled to take place in early 2006.

**THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION**  
**CONSTRUCTION AND GENERAL DIVISION**  
**VICTORIAN BUILDING UNIONS DIVISIONAL BRANCH**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2004**

Note	2004	2003
	\$	\$
<b>14 REMUNERATION AND RETIREMENT BENEFITS</b>		
Income paid or payable to all executives of the union by the union.	858,697	416,304
<b>Executives remuneration</b>		
Number of executives whose income was in the following bands:		
0-9,999	12	-
\$70,000-79,999	3	-
\$80,000-89,999	5	5
\$90,000-99,999	1	-
\$100,000-109,999	1	-

The names of the Division Branch Management Committee who held office during the financial year are:

M. Kingham	J. Canning	D. Noonan
W. Oliver	B. Giagnacovo	G. Thorson
F. O'Grady	A. Littler	R. Williams
J. Cummins	M. Newham	F. Akbari
J. Setka	G. Paterson	S. Reardon
G. Stephenson	R. Perham	E. Spornovasilis
M. Bull	S. Sposito	S. Bergic
A. McLoughlin		

**15 Union Details**

The principal place of business of the union is:  
 CFMEU Construction and General Division (Victoria Branch)  
 500 Swanston Street  
 Carlton South  
 Melbourne VIC 3054  
 The union had 69 employees (2003: 66)

**16 Segment Information**

The Union operates predominantly in one business segment, being the provision of union services, in one geographic segment, being Victoria.

Note 17: FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The union's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows

	Weighted Average Effective Interest Rate		Fixed Interest Rates Maturing					
			Floating Interest Rate		Within 1 Year		1 to 5 Years	
	2004	2003	2004	2003	2004	2003	2004	2003
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash	0.6	0.6	270,677	541,524	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
Investments	6.0	5.4	-	-	5,351,771	5,788,541	11,400,000	6,200,000
Total Financial Assets			270,677	541,524	5,351,771	5,788,541	11,400,000	6,200,000
Financial Liabilities:								
Trade and Sundry Creditors			-	-	-	-	-	-
Bank Loans and overdrafts			-	-	-	-	-	-
Total Financial Liabilities			-	-	-	-	-	-

	Fixed Interest Rates Maturing over 5 years		Non-Interest Bearing		Total	
	2004	2003	2004	2003	2004	2003
	\$	\$	\$	\$	\$	\$
Financial Assets:						
Cash	-	-	-	-	270,677	541,524
Receivables	-	-	417,254	143,489	417,254	143,489
Investments	-	-	1,682	1,682	16,753,453	11,990,223
Total Financial Assets	-	-	418,936	145,171	17,441,384	12,675,236
Financial Liabilities:						
Bank Loans and overdrafts	-	-	-	-	-	-
Trade and Sundry Creditors	-	-	1,815,192	1,979,051	1,815,192	1,979,051
Total Financial Liabilities	-	-	1,815,192	1,979,051	1,815,192	1,979,051

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the financial position and notes to the financial report

The union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the union.



# THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

## CONSTRUCTION AND GENERAL DIVISION

### VICTORIAN BUILDING UNIONS DIVISIONAL BRANCH

#### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2004

##### NOTE

##### 18 IMPACTS OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Australian equivalents to International Financial Reporting Standards (AIFRS) will be adopted in the financial report for the year ending 31 December 2005 and the comparative information presented in that report for the year ending 31 December 2004. In preparation for the transition, opening balances as at 1 January 2004 for the comparative year ending 31 December 2004 will be converted to AIFRS in accordance with new accounting standard AASB 1 "First Time Adoption of Australian International Financial Reporting Pronouncements".

The transition to AIFRS is being managed by the Finance Committee. Expert technical advice is being sought as necessary.

The key differences in accounting policies expected to arise from adoption of AIFRS are listed as follows:

##### **Property, Plant & Equipment**

Under AASB 116 "Property Plant & Equipment", assets will be subject to an impairment test when there is an indication that impairments exists by reference to internal and external market factors. Any item of property, plant and equipment which is impaired must be written down to its recoverable amount and any such write down will be expensed through the statement of financial performance.

##### **Investments**

AASB 139 Financial Instruments: Recognition and Measurement, requires that financial instruments be designated as either:

\*held to maturity investments

\*available for resale financial assets.

Depending on the designation unrealised gains and losses may be recognised either through the profit and loss or directly to equity.

Current accounting policy is to measure investments in marketable securities at net market value.

# THE CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

## CONSTRUCTION AND GENERAL DIVISION

### VICTORIAN BUILDING UNIONS DIVISIONAL BRANCH

#### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2004

	Note	2004 \$	2003 \$
<b>NOTE 19: CASH FLOW INFORMATION</b>			
<b>(a) Reconciliation of Cash</b>			
Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:			
Cash on hand		2,200	2,200
Cash at bank		268,477	539,324
Bank overdrafts		-	-
		<u>270,677</u>	<u>541,524</u>
<b>(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax</b>			
Surplus from ordinary activities after income tax		5,033,984	2,793,291
Non-cash flows in profit from ordinary activities			
Depreciation		562,998	578,793
Net / loss on disposal of property, plant and equipment		28,126	53,776
Changes in assets and liabilities			
(Increase)/decrease in receivables		(273,765)	350,134
(Increase)/decrease in other assets		(71,284)	4,393
Increase in inventories		(19,946)	(4,849)
(decrease)/Increase in payables		(163,859)	576,634
Increase in provisions		309,146	315,965
Cash flows from operations		<u>5,405,400</u>	<u>4,668,137</u>

Construction, Forestry, Mining and Energy Union  
Construction and General Division  
Victorian Branch

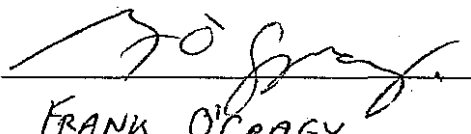
Committee Of Management Statement

On 12<sup>th</sup> April 2005 the Committee of Management of the CFMEU – Construction and General Division Victorian Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2004:

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 organization 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 organization including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - (iv) the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the organization; and
  - (v) no information has been sought in any request of a member of the Branch or a Registrar 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.

For the Committee of Management:

  
FRANK O'GRADY  
April 12, 2005



Chartered Accountants  
& Business Advisers

Level 11, CGU Tower  
485 La Trobe Street  
Melbourne 3000  
GPO Box 50 99BB  
Melbourne 3001

Tel: (03) 9603 1700  
Fax: (03) 9602 3870

www.pkf.com.au

**INDEPENDENT AUDIT REPORT  
TO MEMBERS OF CFMEU CONSTRUCTION AND GENERAL DIVISION  
– VICTORIA BRANCH**

**Scope**

*The Financial Report and Office Holders Responsibility*

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and Committee of Management Statement, for CFMEU Construction and General Division – Victoria Branch for the year ended 31 December 2004.

The Office Holders are responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

**Audit Approach**

We conducted an independent audit in order to express an opinion to the members of CFMEU Construction and General Division – Victoria Branch. Our audit was conducted in accordance with Australian Auditing and Assurance Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the requirements of the Workplace Relations Act 1996, Part 3 – Accounts and Audit, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the CFMEU

**PKF**  
Chartered Accountants

12 April 2005  
Melbourne  
A Victorian Partnership

Construction and General Division – Victoria Branch's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- (a) examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- (b) assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

**Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

**Audit Opinion**

In our opinion, the financial report of CFMEU Construction and General Division – Victoria Branch is in accordance with:

- (a) the Workplace Relations Act 1996, including:
  - (i) giving a true and fair view of CFMEU Construction and General Division – Victoria Branch's financial position at 31 December 2004, and of its performance for the year ended on that date, and
  - (ii) complying with Accounting Standards in Australia and the requirements of the Workplace Relations Act 1996, Part 3 – Accounts and Audit; and
- (b) other mandatory financial reporting requirements in Australia.

R A Dean  
Partner



**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 Kingham  
Branch Secretary  
CFMEU Construction & General Division  
Victorian Building Unions Divisional Branch  
500 Swanston St  
CARLTON SOUTH VIC 3053

Dear Mr Kingham

**Financial Return - year ending 31 December 2004 (FR2004/708)**

I refer to the documents lodged in the Registry on 14 September 2005. The documents have been filed. However, there is one matter which may need further action by the Branch.

Donations

Note 3 on page 8 of the financial statements shows an amount of \$24,140 for "donations" made by the Branch.

Under s237 of the RAO Schedule the Branch must lodge within 90 days of the end of its financial year a Statement showing:

- the amount of each donation exceeding \$1,000
- the name and address of each recipient of each donation
- the purpose of each donation

Where a donation was made to relieve a member of the Branch from severe financial hardship, the name of the recipient need not be stated.

I have enclosed a form which you may use or adapt to prepare the Branch's Statement. Please arrange to lodge the Statement in the Registry as soon as possible.

The Branch should ensure it is in a position to extract this information from its records and lodge a s237 Statement within 90 days of the end of its financial year.

Notice under s272(5)

Please note that the notice required by s272(5) was omitted from the Notes to the accounts. The notice at Note 1K was in the form required under the former provisions of the Act. Please ensure the correct notice is inserted in the Notes next year.

Yours sincerely

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

Peter McKerrow  
for Deputy Industrial Registrar

20 September 2005



# Statement of loans, grants and donations exceeding \$1,000 for financial year ending / /

Please refer to section 237 of the Registration and Accountability of Organisations Schedule when completing this form. This statement when lodged in the Industrial Registry may only be viewed by a member of the organisation. Use of this form is optional.

## Organisation's details

Name of organisation including division or branch

Postal Address

Postcode

## Details of officer completing the statement

Name

Name of office held in organisation

(An officer of the organisation should complete the statement)

Postal Address

Postcode

Telephone number (BH)

Facsimile number

Email

I certify that the information contained in this statement and its attachments is true and complete.

Signature

Date

**An organisation must lodge this statement within 90 days of the end of its financial year.**

Enquiries and statements should be addressed to:

THE INDUSTRIAL REGISTRAR  
AUSTRALIAN INDUSTRIAL REGISTRY  
LEVEL 8, TERRACE TOWERS  
80 WILLIAM STREET  
EAST SYDNEY NSW 2011  
Tel: (02) 8374 6666  
Fax: (02) 9380 6990  
Email: sydney@air.gov.au

**AUSTRALIAN INDUSTRIAL REGISTRY**

*Australian Industry Registry*  
**LOANS, GRANTS AND DONATIONS EXCEEDING \$1,000 MADE BY ORGANISATION**  
 (if insufficient space, please attach separate sheet)

**LOANS**

Name of Recipient of Loan	Address	Amount	Purpose for which loan required	Security given in relation to loan	Arrangements for repayment of loan

*Note: where a loan is made to relieve a member or dependant of a member from severe financial hardship, the name and address and particulars of arrangements for repayment need not be stated.*

**GRANTS**

Name of Recipient of Grant	Address	Amount	Purpose of Grant

*Note: where a grant is made to relieve a member or dependant of a member from severe financial hardship, the name and address need not be stated.*

**DONATIONS**

Name of Recipient of Donation	Address	Amount	Purpose of Donation

*Note: where a donation is made to relieve a member or dependant of a member from severe financial hardship, the name and address need not be stated.*