



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 8990

Ref: FR2003/716-[105N-WA1]

Mr Kevin Reynolds  
Divisional Branch Secretary  
CFMEU - Construction and General Division  
WA Divisional Branch  
PO Box 6681  
EAST PERTH WA 6892

Dear Mr Reynolds

**Re: Construction, Forestry, Mining and Energy Union-Construction and General Division,  
WA Divisional Branch Financial Reporting Obligations under *Workplace Relations Act 1996***

This is a courtesy letter to remind you of the financial reporting obligations of the abovenamed body under the *Workplace Relations Act 1996* ('the Act') for the financial year ended 31 December, 2003.

While the accounting, auditing and reporting obligations have changed with the introduction of the *Registration and Accountability of Organisations Schedule* (the RAO Schedule) which generally came into operation on 12 May 2003, Part IX, Division 11 of the Act continues to apply in relation to a financial year of an organisation that ends on 31 December, 2003. The corresponding obligations set out in the RAO Schedule apply to each financial year of an organisation that starts on or after 1 July 2003.

Now that the financial year for 31 December, 2003 has ended, it is timely that you put in train the various steps of the financial reporting requirements. To assist you with this process I have enclosed for your information a notice summarising these requirements including the time-scales prescribed by the legislation.

Please note that a branch of an organisation may be exempted from the accounting, auditing and reporting obligations in respect of a financial year by satisfying a Registrar that the branch did not have any financial affairs during the financial year. An application under subsection 271A(1) of the Act must be made within 90 days (unless extended by a Registrar) after the end of the financial year.

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

Yours sincerely

Belinda Penna

E-mail: [belinda.penna@air.gov.au](mailto:belinda.penna@air.gov.au)  
9 January 2004



Level 2, 15 Wentworth Ave  
SYDNEY NSW 2000  
PO Box Q235, QVB PO  
SYDNEY NSW 1230  
Telephone: (02) 9267 7644  
Facsimile: (02) 9267 8863  
ABN: 46 243 168 565

**Construction Forestry Mining & Energy Union**

**Construction & General Division**

**Federal Office**

14 April 2004



Industrial Registrar  
Australian Industrial Registry  
80 William Street  
EAST SYDNEY NSW 2011

Dear Sir

**Re: Financial Reports for Period Ending 31 December 2003 – CFMEU Western  
Australian Branch**

Attached please find financial reports as above and letter re Workplace Relations Act  
1996 s271A – Application for Certificate.

Yours faithfully

Tom Roberts   
Senior National Legal Officer  
Construction & General Division

Level 3, 12 St Georges Terrace  
Perth, Western Australia 6000  
Telephone + 61 8 9225 5355  
Facsimile + 61 8 9225 6181  
PO Box Y3019  
East St Georges Terrace  
Perth, Western Australia 6832  
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Website [www.msbg.com.au](http://www.msbg.com.au)



**Construction Forestry Mining and Energy Union  
Construction and General Division – WA Branch**

**Financial Statements for the  
Year ended 31 December 2003**

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**FOR THE YEAR ENDED 31 DECEMBER 2003**

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**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2003**

	Note	<u>31/12/03</u> \$	<u>31/12/02</u> \$
<b>MEMBERS FUNDS</b>			
Balance at Beginning of Year		773,528	996,512
Surplus/(Deficiency)		<u>554,973</u>	<u>(222,984)</u>
		<u>1,328,501</u>	<u>773,528</u>
<b>REPRESENTED BY:</b>			
<b>CURRENT ASSETS</b>			
Cash at Bank		600	600
Sundry Debtors		26,995	15,974
Cash on Hand		1,222,815	742,164
Loans Receivable – CFMEUW		346,359	346,359
Loans Receivable – Construction Skills		<u>8,786</u>	<u>8,786</u>
<b>TOTAL CURRENT ASSETS</b>		<u>1,605,555</u>	<u>1,113,883</u>
<b>NON-CURRENT ASSETS</b>			
Furniture & Fittings - at Cost		93,416	74,673
Less: Accumulated Depreciation		<u>(19,570)</u>	<u>(17,292)</u>
		<u>73,846</u>	<u>57,381</u>
Motor Vehicles – at cost		250,668	195,577
Less: Accumulated Depreciation		<u>(95,446)</u>	<u>(66,620)</u>
		<u>155,222</u>	<u>128,957</u>
Kalgoorlie Property		<u>159,302</u>	<u>159,302</u>
<b>TOTAL NON CURRENT ASSETS</b>		<u>388,370</u>	<u>345,640</u>
<b>TOTAL ASSETS</b>		<u>1,993,925</u>	<u>1,459,523</u>
<b>CURRENT LIABILITIES</b>			
Sundry Creditors		148,065	281,391
GST clearing Account		61,719	15,155
Provision for Holiday Pay		162,145	121,229
Provision for Long Service Leave		269,037	244,573
Trust Account		<u>24,458</u>	<u>23,647</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>665,424</u>	<u>685,995</u>
<b>NON CURRENT LIABILITIES</b>			
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>665,424</u>	<u>685,995</u>
<b>NET ASSETS</b>		<u>1,328,501</u>	<u>773,528</u>

To be read in conjunction with the attached notes.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2003**

	<u>31/12/03</u>	<u>31/12/02</u>
	\$	\$
<b><u>INCOME</u></b>		
Subscriptions	2,851,940	2,692,049
Joining Fees	89,820	72,734
Other Receipts - Sundry Income	139,167	46,280
Interest Received	31,647	45,570
Rent Received	9,232	3,915
Hearing Tests	-	-
Eureka Products	(4,997)	(15,510)
OCC Health and Safety Income	90,100	1,364
Administration - CSTC	112,898	106,307
Reimbursement of Legal Fees – CSTC	-	96,168
Defence Fund Income	460,346	-
Legal Levy income	<u>287,067</u>	<u>261,506</u>
	4,067,220	3,310,383
<b><u>EXPENDITURE</u></b>		
Advertising	9,586	134,381
Affiliation Fees	45,693	42,521
Auditor's Remuneration – Audit and other services	16,094	27,398
Bank Charges	26,115	21,388
Campaign Costs	3,970	1,563
Computer Requirements	25,509	22,866
Consulting Fees	30,000	17,595
Depreciation	56,765	40,323
Donations	5,335	5,350
Freight	2,530	3,373
Funeral Benefits	600	100
Insurance	61,154	42,301
Legal Costs	533,628	513,759
Legal Cover	67,500	114,065
Loss on Sale of Assets	14,780	1,442
Meeting Expenses	53,862	43,037
Motor Vehicle Expenses & Service charges	84,982	70,588
Payroll Tax	103,210	120,852
Parking	1,828	4,857
Photography	1,131	722
Printing, Postage & Stationery	103,657	88,674
Photocopying & Office Expenses	32,552	25,689
Provision for Employee Entitlements	65,380	(29,455)
Rent, Rates and Electricity	23,174	17,820
Repairs & Maintenance	25,005	16,975
Staff Amenities	88,110	65,528
Subscriptions	41,703	19,491
Superannuation Contributions	247,571	290,704
Sustentation Fees (Federal)	215,964	136,645
Telephone	103,226	85,874
Travel and Accommodation	154,214	114,328
Wages - Officials	785,346	795,701
Wages - Other	468,708	651,216
Fringe Benefits Tax	<u>13,365</u>	<u>25,698</u>
	<u>3,512,247</u>	<u>3,533,367</u>
<b><u>SURPLUS/(DEFICIENCY)</u></b>	<u>554,973</u>	<u>(222,984)</u>

To be read in conjunction with the attached notes.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2003**

	<u>Notes</u>	<u>31/12/03</u> \$	<u>31/12/02</u> \$
<b><u>CASHFLOWS FROM OPERATING ACTIVITIES</u></b>			
Receipts from members		2,941,760	2,772,346
Other receipts		1,259,938	525,139
Payments to suppliers and employees		(3,685,793)	(3,697,783)
Interest received		31,646	45,570
Taxes		46,564	15,155
		<hr/>	<hr/>
Net Cash Provided by (expended on) Operating Activities	4	594,115	(339,573)
		<hr/>	<hr/>
<b><u>CASHFLOWS FROM INVESTING ACTIVITIES</u></b>			
Payments for Plant & Equipment		(125,646)	(76,110)
Proceeds from Sale of Equipment		12,182	(12,359)
		<hr/>	<hr/>
Net Cash Provided by (used in) Investing Activities		(113,464)	(63,751)
		<hr/>	<hr/>
<b><u>CASHFLOW FROM FINANCING</u></b>			
Decrease in Loans Payable		-	-
Decrease in Loans Receivable		-	34,313
		<hr/>	<hr/>
Net Cash Provided by Financing Activities		-	34,313
		<hr/>	<hr/>
Net Increase (Decrease) in Cash Held		480,651	(369,010)
Cash at 1 January 2003		742,764	1,111,774
		<hr/>	<hr/>
Cash at 31 December 2003		<u>1,223,415</u>	<u>742,764</u>

To be read in conjunction with the attached notes.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**FOR THE YEAR ENDED 31 DECEMBER 2003  
NOTES TO AND FORMING PART OF THE ACCOUNTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounts have been prepared in accordance with Australian Accounting Standards.

The accounts are prepared in accordance with the historical cost convention and the accounting policies adopted are as follows;

- (a) **BASIS**  
The accounts have not been adjusted to record either changes in the general purchasing power of the dollar or in the price of specific assets, unless otherwise stated.
- (b) **MEMBERSHIP CONTRIBUTIONS**  
Membership contributions are accounted for on a cash receipts basis.
- (c) **NON CURRENT ASSETS**  
Non current assets acquired are brought to account at cost.  
  
Depreciation of furniture and fittings are calculated in order to write the assets off over their estimated useful life.
- (d) **INCOME TAX**  
No provision for income tax is necessary as "Trade Unions" are exempt from income tax under section 50-15 of the Income Tax Assessment Act (1997).
- (e) **EMPLOYEE BENEFITS**  
Provision for employee benefits in the form of Long Service Leave, Accrued Annual Leave (etc) have been made for the estimated accrued entitlements of all employees on the basis of their terms of employment.
- (f) **REGISTRATION STATUS**  
The Construction Forestry Mining and Energy Union Construction and General Division – WA Branch is a federally registered divisional branch of the Construction Forestry Mining and Energy Union.

**2. CONTINGENT LIABILITIES**

No Contingent Liabilities exist as at the date of this report.



**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**FOR THE PERIOD ENDED 31 DECEMBER 2003**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

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

In accordance with the requirements of the Workplace Relations Act 1996, an organisation shall, on the application of a member of the organisation or registrar made as prescribed, make available to the member or to the registrar, as the case may be, specified information in such manner and within such time as is prescribed.

The Registrar shall not make an application except at the request of a member of the organisation concerned, the Registrar, when he receives information as result of an application, made at the request of such a member, shall furnish the information to the member.

**4. CASHFLOW INFORMATION**

Reconciliation of Cashflow from Operations with Operating Surplus is as follows;

	<u>31/12/03</u>	<u>31/12/02</u>
	\$	\$
<b>Operating Surplus</b>	554,973	(222,984)
Non cash flows in operating surplus		
Depreciation	56,765	40,323
(Increase)/decrease in sundry debtors	(11,021)	22,718
Increase/(decrease) in sundry creditors	(133,326)	(166,772)
Increase/(decrease) in employee entitlements	65,380	(29,454)
(Profit)/Loss on sale of investments/assets	14,780	1,442
Increase/(Decrease) in loans	-	-
Increase/(Decrease) in taxes	46,564	15,555
	594,115	(339,573)
<b>Cash Flows from (to) Operations</b>	<u>594,115</u>	<u>(339,573)</u>

CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

FOR THE YEAR ENDED 31 DECEMBER 2003

ACCOUNTING OFFICER'S CERTIFICATE

I, Kevin Noel Reynolds, being the Officer responsible for keeping the accounting records, of Construction Forestry Mining And Energy Union Construction And General Division – WA Branch, certify that as at 31 December 2003 the number of members of the Organisation was 6,270.

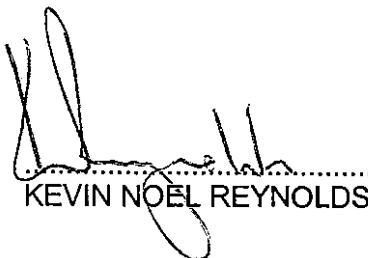
In my opinion:

- (i) the attached accounts show a true and fair view of the financial affairs of the organisation as at 31 December 2003;
- (ii) a record has been kept of all monies paid by or collected from members and all monies so paid or collected have been credited to the bank account, in accordance with the rules of the organisation;
- (iii) before any expenditure was incurred by the organisation, approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation.
- (iv) with regard to funds of the organisation raised by compulsory levies or funds other than the General Fund operated in accordance with the rules, no payments were made out of such fund for purposes other than those for which the fund operated;
- (v) no loans or other financial benefits, other than remuneration in respect of their fulltime employment with the organisation were made during the period to persons holding office in the organisation; and
- (vi) the register of members of the organisation was maintained in accordance with the Act.

Dated this

16<sup>th</sup>

day of March 2004.

  
.....  
KEVIN NOEL REYNOLDS

CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

FOR THE YEAR ENDED 31 DECEMBER 2003

COMMITTEE OF MANAGEMENT CERTIFICATE

We, Kevin McFarland and Kim Young, being two members of the Committee of Management of the abovementioned Branch, do state on behalf of the Committee and in accordance with a resolution passed by the Committee that:

- (i) in the opinion of the Committee of Management, the attached accounts show a true and fair view of the financial affairs of the Branch as at 31 December 2003;
- (ii) in the opinion of the Committee of Management, meetings of the Committee were held during the year ended 31 December 2003 in accordance with the Rules of the Branch;
- (iii) to the knowledge of any member of the Committee, there have been no instances where records of the Branch or other documents (not being documents containing information made available to a member of the Branch under Section 274 of the Workplace Relations Act 1996) or copies of those records or documents, or copies of the Rules of the Branch, have not been furnished or made available to members in accordance with the requirements of the Workplace Relations Act 1996, the Regulations thereto or the Rules of the Branch;
- (iv) the Branch has complied with Sections 279 (1) and 279 (6) of the Act in relation to the financial accounts in respect to the preceding financial year and the Auditor's Report thereon.

K. McFarland

Kim Young

Dated at PERTH this 16<sup>TH</sup> day of MARCH, 2004.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**FOR THE YEAR ENDED 31 DECEMBER 2003**

**TRUST ACCOUNTS**

**STATEMENT OF RECEIPTS & PAYMENTS**

	<u>31/12/03</u>	<u>31/12/02</u>
	\$	\$
<b>RECEIPTS</b>		
Trust Accounts	337,693	76,848
<b>PAYMENTS</b>		
Collection and Administration Costs	-	-
Wages Recovered	336,882	78,769
	<hr/>	<hr/>
Excess (deficiency) of Receipts over Payments	<u>811</u>	<u>(1,921)</u>

**BALANCE SHEET AS AT 31 DECEMBER 2003**

**ASSETS**

Cash at bank at beginning of period	23,647	25,568
Add Excess (deficiency) of Receipts over Payments	811	(1,921)
	<hr/>	<hr/>
<b>TRUST BALANCE</b>	<u>24,458</u>	<u>23,647</u>

**LIABILITIES**

Unclaimed Wages	<u>24,458</u>	<u>23,647</u>
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Perth, Western Australia 6000  
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PO Box Y3019  
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Perth, Western Australia 6832  
Email info@msbg.com.au  
Website www.msbg.com.au

**AUDITORS REPORT**

**TO THE MEMBERS OF CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**Scope**

We have audited the Accounts of Construction Forestry Mining and Energy Union Construction and General Division – WA Branch for the year ended 31 December 2003.

The Branch Executive are responsible for the preparation of the accounts and the information they contain.

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

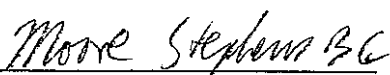
Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the accounts are free from material misstatement. Our procedures included examination on a test basis, of evidence supporting the amounts and other disclosures in the Accounts, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects the accounts are presented fairly in accordance with Australian Accounting Standards and statutory requirements so as to present a view of the Branch which is consistent with our understanding of its financial position and the results of its operations.

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

**Audit Opinion**

In our opinion:

- (i) there were kept by the organisation in respect of the period satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purpose of expenditure;
- (ii) the attached accounts and statements on pages 1 to 8 have been prepared in accordance with applicable Accounting Standards, and are properly drawn up in accordance with the provisions of Section 273 of the Workplace Relations Act 1996 in accordance with the rules of the organisation, and so as to give a true and fair view of,
  - a) the financial affairs of the organisation as at 31 December 2003; and
  - b) the income and expenditure and surplus of the organisation for the year ended on that date.

  
MOORE STEPHENS BG  
CHARTERED ACCOUNTANTS  
PERTH

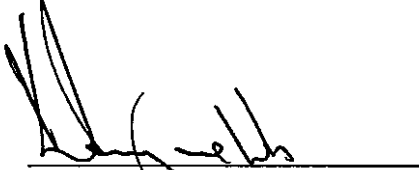
  
NEIL PACE  
PARTNER  
REGISTERED COMPANY AUDITOR  
# 182668

Dated this 23 day of March 2004 in Perth, Western Australia.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**CERTIFICATE BY STATE SECRETARY**

In pursuance of the provisions of Section 280 (1) (b) of the Australian Workplace Relations Act 1996, I, Kevin Noel Reynolds certify that the copies of the auditor's report, accounts and statements of the Construction Forestry Mining And Energy Union Construction and General Division – WA Branch for the period ended 31 December 2003, were presented to the Committee of Management of the Branch on 30 March. 2004.



State Secretary  
CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH



**AUSTRALIAN INDUSTRIAL REGISTRY**

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

Mr Tom Roberts  
Senior National Legal Officer  
CFMEU Construction & General Division  
PO Box Q235, QVB PO  
SYDNEY NSW 1230

Dear Mr Roberts

**Re: Lodgement of Financial Statements and Accounts for the CFMEU Western Australian  
Construction & General Division Branch for the year ending 31 December 2003  
(FR2003/716)**

Please find enclosed for your information a copy of a letter sent to Mr Kevin Reynolds, Western Australian Construction & General Divisional Branch Secretary, regarding the abovementioned financial documents.

If you have any enquiries about this letter please contact me on 02 8374 6618.

Yours sincerely,

Belinda Penna  
for Deputy Industrial Registrar

16 April 2004



## AUSTRALIAN INDUSTRIAL REGISTRY

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

Mr Kevin Reynolds  
Divisional Branch Secretary  
CFMEU Construction & General Division  
Western Australian Divisional Branch  
PO Box 6681  
EAST PERTH WA 6892

Dear Mr Reynolds

**Re: Lodgement of Financial Statements and Accounts for the CFMEU Western Australian  
Construction & General Divisional Branch for the year ending 31 December 2003  
(FR2003/716)**

Receipt is acknowledged of the abovementioned Financial Statements and Accounts which were lodged in the Registry on 15 April 2004. Before the documents can be filed further information is required.

Date of Supply to Members

Please advise the date and the method by which the members were supplied with the financial documents.

I note that the Audit report is dated 23 March 2004, and the Secretary's Certificate states that the documents were presented to the Committee of Management of the Branch on 30 March 2004.

Subsection 279(6) of the *Workplace Relations Act 1996* sets out that the general meeting of members or a meeting of the committee of management should occur after an interval starting on the eighth day after the report, accounts and statements are supplied to the members.

I am seeking clarification that the members have had adequate opportunity to consider the financial statements and audit report before they were accepted by the Committee of Management of the Branch.

Statement of Loans, Grants and Donations

I appreciate that you have listed each donation of an amount exceeding \$1,000 that was made by your organisation during the financial year.

I have enclosed a copy of s269 for your information.

The relevant particulars required about each of these donations are:

- the amount of each - you have specified this
- the purpose for which each was made - please provide this information
- the name and address of the person to whom each amount was paid - please advise the **address** of the recipients of each payment (unless the donation was made to relieve severe financial hardship - see s269(5)(c)).



Please provide the required information to enable the s269 statement to be filed.

If you have any enquiries about this letter please do not hesitate to contact me on 02 8374 6618.

Yours sincerely,



Belinda Penna  
for Deputy Industrial Registrar

16 April 2004

cc. Mr Tom Roberts  
Senior National Legal Officer  
Construction & General Division

## 269 Organisations to notify particulars of loans, grants and donations

- (1) An organisation shall, as soon as practicable after the end of each financial year, lodge in the Industrial Registry a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 made by the organisation during the financial year.
- (2) A statement lodged in the Industrial Registry under subsection (1) shall be signed by an officer of the organisation.
- (3) A statement lodged in the Industrial Registry under subsection (1) may be inspected at any registry, during office hours, by a member of the organisation concerned.
- (4) The relevant particulars, in relation to a loan made by an organisation, are:
  - (a) the amount of the loan;
  - (b) the purpose for which the loan was required;
  - (c) the security given in relation to the loan; and
  - (d) except where the loan was made to relieve a member of the organisation, or a dependant of a member of the organisation, from severe financial hardship—the name and address of the person to whom the loan was made and the arrangements made for the repayment of the loan.
- (5) **The relevant particulars, in relation to a grant or donation made by an organisation, are:**
  - (a) the amount of the grant or donation;**
  - (b) the purpose for which the grant or donation was made; and**
  - (c) except where the grant or donation was made to relieve a member of the organisation, or a dependant of a member of the organisation, from severe financial hardship—the name and address of the person to whom the grant or donation was made.**
- (6) Where an organisation is divided into branches:
  - (a) this section applies in relation to the organisation as if loans, grants or donations made by a branch of the organisation were not made by the organisation; and
  - (b) this section applies in relation to each of the branches as if the branch were itself an organisation.
- (7) For the purposes of the application of this section in accordance with subsection (6) in relation to a branch of an organisation, the members of the organisation constituting the branch shall be taken to be members of the branch.



82 Royal Street  
East Perth WA 6004

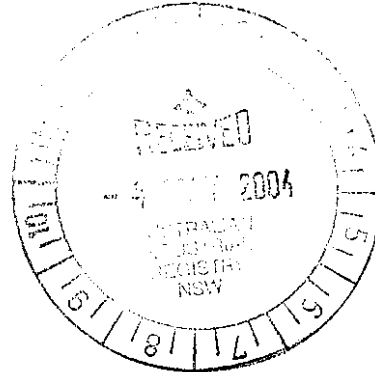
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cfmeuwa@cfmeuwa.com  
www.cfmeu.asn.au  
ABN 77 538 246 780

29 April 2004

Australian Industrial Relations Commission  
Level 8, Terrace Towers  
80 William Street  
EAST SYDNEY NSW 2011



Attention: Ms Belinda Penna

Dear Ms Penna

**Financial Statements for Years ending 31 December 2003 - FR 2003/716**

We refer to your letter of 16<sup>th</sup> April 2004.

Date of Supply to Members

The Financial Statements for the year ending 31 December 2003 were made available to members on or about the 24 March 2004. Upon request by members copies were made available to members either by collection personally or by post free of charge.

Statement of Loans Grants and Donations

Below are the particulars of the donations exceeding \$1000 required pursuant to s 269 of the *Workplace Relations Act 1996*.

If you have any further queries please contact Karen Scoble on (08) 9221 1055.

Yours sincerely

for KEVIN REYNOLDS  
Secretary



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

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

Mr Kevin Reynolds  
Divisional Branch Secretary  
CFMEU Construction & General Division  
Western Australian Divisional Branch  
PO Box 6681  
EAST PERTH WA 6892

Dear Mr Reynolds

**Re: Lodgement of Financial Statements and Accounts for the CFMEU Western Australian  
Construction & General Divisional Branch year ending 31 December 2003  
(FR2003/716)**

Thank you for your letter of 29 April 2004, which sets out information in response to the Registry's previous letter of 16 April 2004.

Your letter satisfactorily answers the Registry's enquiry regarding donations exceeding \$1000 made by the branch during the financial year ending 31 December 2003. That statement will be placed on a file that may only be viewed by members of your organisation.

In regard to the issue of supply of the documents to the members, your letter states "upon request by members copies were made available either by collection personally or by post free of charge" on or after 24 March 2004. It is clear that the members had limited opportunity to obtain and examine the documents before the Branch Committee of Management meeting of 30 March 2004. The interval between the date on which the documents were made available to the members and the meeting of 30 March 2004 was also less than that specified in the *Workplace Relations Act 1996*.

The timing of the supply of the financial documents to members and their presentation to a general meeting or a committee of management meeting is not at the discretion of the organisation. As described in the Registry's letter of 16 April 2004, the relevant provisions of the Act require organisations to ensure members have time to consider the documents and, if they wish, raise any concerns or queries in the interval which the Act stipulates between the supply to members and the meeting.

In the Registry's letter of 7 October 2003 following lodgement of your organisation's financial return for the year ending 31 December 2002 the legislative requirements and timelines relevant to financial reporting obligations under the provisions of the Act which have previously applied were brought to your attention in some detail. I enclose a copy of that letter for your information.

As you would be aware the provisions of the Registration and Accountability of Organisations Schedule (Schedule 1B to the *Workplace Relations Act 1996*) [the RAO Schedule] will now apply to future financial returns by your organisation. I have enclosed a copy of relevant Fact Sheets that were distributed when the Schedule came into general operation on 12 May 2003. As you will note, the provisions of the RAO Schedule also require adherence to specific and detailed timelines for the production, supply, presentation and lodgement of financial returns. The full text of relevant legislation is also available from the Commission's website.

The documents for the year ending 31 December 2003 have been filed. Please ensure that your organisation adheres to these requirements during its next financial reporting process.

If you have any queries, please contact me on 02 8374 6618.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Belinda Penna". The signature is fluid and cursive, with a long horizontal stroke at the end.

Belinda Penna  
for Deputy Industrial Registrar

14 May 2004



AUSTRALIAN INDUSTRIAL REGISTRY

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

Mr Kevin Reynolds  
WA Construction & General Divisional Branch  
CFMEU  
PO Box 6681  
PERTH WA 6892

Dear Mr Reynolds

**Financial Statements - Construction, Forestry, Mining and Energy Union -  
Construction and General Division - Western Australian Divisional Branch  
for years ending 31 December 2001 (FR2002/123) and 31 December 2002 (FR2002/834)**

Thank you for your letter dated 1 October 2003 advising that the above financial statements were supplied at general meetings of members and by post upon request.

The documents have been filed. No further information is required.

However I would like to make a few comments on the documents and the extent to which they suggest the Branch's compliance with the legislation. The main area of compliance is whether or not it can be said that the members of the branch have had adequate opportunity to consider all the relevant financial documents. This goes directly to the objects of management accountability and member participation.

To guide organisations in achieving these objects, the Workplace Relations Act sets out, admittedly in a complicated fashion, a logical sequence of events.

Briefly, the Act contemplates that members will be supplied with the key accounts and statements - including the Accounting Officer's certificate, the Committee of Management's certificate and the Auditor's report. These documents should therefore have been signed and dated by the time the members first get access to them. Accordingly, they are usually signed and dated at or about the time of a "first" meeting that is held *before* they are distributed or made available to the members.

This does not appear to have been the case as far as the above statements were concerned, at least not if the documents are taken at face value.

For example, in the case of the financial statements for 2002, the members appear, according to your letter, to have been able to obtain copies of the documents from 22 March 2003, but the Accounting Officer's certificate was dated *after* that - on the 1st April 2003; the Committee of Management certificate was dated later still - on 14 May 2003; and the Auditor's report was not dated until 20 May 2003.

In addition, the meeting at which, according to your Secretary's certificate, the documents were presented was also held *before* the dating of at least two of the documents, on 1 April 2003. Was this the post-eighth day meeting referred to in s279(6) of the Act?

If the dates on the documents are anything to go by, then it is not at all certain that the correct sequence of meetings/supply to members was observed.

Ideally, the certificates and Auditor's report should have been signed and dated *first*, then the members should have been supplied with copies of same, *then after the appropriate interval*, the documents should have been presented at a meeting.

I have gone into detail because the only way the Registry can ascertain whether there has been adequate compliance on the part of the Branch is by the dating on the various documents and the information provided in the Secretary's certificate.

Your next financial return - for the year ending 31 December 2003 - will also continue to have to conform to the requirements of the *Workplace Relations Act 1996*. But the financial return for the year ending 31 December 2004 will have to comply with the new *RAO schedule* which, arguably, is even stricter with time-frames for reporting and dating and signing of documents.

If in the preparation of next year's financial return you or your staff wish to clarify any aspect of the above, please do not hesitate to contact the Registry here in Sydney on (02) 8374 6666.

Yours sincerely,

A handwritten signature in cursive script that reads "Stephen Kellett". A horizontal line is drawn across the signature, extending to the right.

Stephen Kellett  
for Deputy Industrial Registrar

7 October 2003

## Registration and Accountability of Organisations Legislation Fact Sheet

### Accounting, Auditing and Reporting Obligations

The Registration and Accountability of Organisations Schedule (Schedule 1B to the *Workplace Relations Act 1996*) [the **RAO Schedule**], generally comes into operation on 12 May 2003. The RAO Schedule contains most of the matters previously dealt with in the body of the *Workplace Relations Act 1996* [the Act], which relate to the registration and functioning of organisations of employers and employees under the Act. The *Workplace Relations Legislation Amendment (Registration and Accountability of Organisations) (Consequential Provisions) Act 2002* [the **RAOCP Act**], deals with various transitional provisions arising from the introduction of the Schedule.

#### Application of obligations

The accounting, auditing and reporting obligations set out in Chapter 8, Part 3 of the RAO Schedule apply to each *reporting unit* of an organisation (s242) in relation to a financial year of the organisation that commences on or after commencement of the reporting guidelines (item 44(1) of RAOCP Act) unless the reporting unit obtains an exemption in relation to the financial year (s271).

Reduced reporting requirements may apply to a reporting unit:-

- with substantial common membership with a State registered body (s269), or
- which is the whole of the organisation and has income not exceeding \$100,000 (s270)

The corresponding obligations set out in Part IX, Division 11 of the *Workplace Relations Act 1996* continue to apply to an organisation or a branch of an organisation in relation to a financial year that had started, but had not ended, before commencement of the reporting guidelines (item 47(1) of the RAOCP Act).

#### Outline of obligations

The accounting, auditing and reporting obligations are to:-

- keep proper *financial records* (s252 and Reg 158)
- prepare a *general purpose financial report* in accordance with the *Australian Accounting Standards* as well as the *reporting guidelines* issued by the Industrial Registrar under s255 after the end of each *financial year* (s253)
- prepare an *operating report* after the end of each financial year (s254 and Reg 159)
- ensure that an *approved auditor* audits the financial report of the reporting unit for each financial year and makes a report in accordance with the *Australian Auditing Standards* in relation to the year to the reporting unit (s256 and s257 and Reg 4)
- provide free of charge to its members a *full report* comprising the auditor's report, the general purpose financial report and the operating report or a *concise report* for the financial year (s265 and Reg 161)
- present the full report to a general meeting of the members (or in certain circumstances the committee of management) of the reporting unit within 6 months after the end of the financial year to which the report relates (s266)
- lodge the full report and any concise report in the Industrial Registry together with a certificate by the secretary or another authorised officer that the documents lodged are copies of the documents provided to members and presented to a meeting (s268 and Reg 162)
- on request make available to a member of the reporting unit or a Registrar acting at the request of a member *specified prescribed information* in relation to the reporting unit (s272 and Reg 166)

In addition, the Commission on application of a member of a reporting unit may make an order authorising the applicant or another person on the applicant's behalf to inspect the financial records of the reporting unit.

The Commission must be satisfied that the applicant is acting in good faith and that there are reasonable grounds for suspecting a breach of the accounting, auditing or reporting obligations including the reporting guidelines or a rule of the reporting unit relating to its finances or financial administration.



## What is a financial year of an organisation?

A financial year, in relation to an organisation, is the period of 12 months commencing on 1 July in any year or another period of 12 months as is provided in the rules of the organisation (s6). In limited circumstances, a financial year of an organisation can be a period other than 12 months, that is where the rules of an organisation change its financial year (s240).

## What is a reporting unit?

Section 242 provides that a reporting unit may be the whole of an organisation or a part of an organisation.

Clarification as to the members, employees, rules, financial affairs and records, conduct and activities, and the journal of a reporting unit is provided in s244.

### Organisation not divided into branches

Where an organisation is *not* divided into branches, the reporting unit is the whole of the organisation.

### Organisation divided into branches

Where an organisation *is* divided into branches:-

- each branch will be a reporting unit unless the Industrial Registrar has determined under s245 a division of the organisation into reporting units on an alternative basis
- reporting units that may be established under s245 on an alternative basis include:
  - the whole of the organisation, or
  - a combination of 2 or more branches,provided that each branch must be in one, and only one, reporting unit
- any part of the organisation that is not otherwise included in a branch is taken to be a separate branch (this would include for example the federal body of the organisation)

## Determination of reporting units - application by organisation

An organisation divided into branches may make an application under section 246 to the Industrial Registrar to determine the reporting units of the organisation on an alternative basis so that the accounting, auditing and reporting obligations do not apply individually to each branch though each branch must be in one, and only one, reporting unit (ss242(4)).

Regulation 153 sets out the requirements for the application including provision of:

- a copy of the resolutions in favour of the proposed division into reporting units made by the respective committees of management of the organisation and the branches affected; and
- a statement of reasons in support of the proposed division into reporting units.

The application must be accompanied by an application for the Industrial Registrar to certify such alterations to the rules of the organisation as are required to give effect to the establishment of the proposed reporting units.

The Industrial Registrar must approve the proposed division into reporting units if the Registrar is satisfied amongst other things that the level of financial information that would be available to members under the proposed division would be adequate and would be relevant to them.

An alternative division into reporting units approved by the Industrial Registrar would apply in relation to the first financial year starting after the certificate is issued and each subsequent financial year unless before the start of the financial year the certificate is revoked (see section 249 and Regs 155, 156 and 157).

## Exemption of certain reporting units

If on application of a reporting unit under section 271 a Registrar is satisfied that a reporting unit does not have any financial affairs in a financial year the reporting unit may be exempted from the accounting, auditing and reporting requirements for that year.

The application must be made to a Registrar within 90 days, or such longer period as the Registrar allows, after the end of the financial year. The Registrar must consider whether the reporting unit itself or another reporting unit of the organisation or any person or body corporate or trust expends economic resources or incurs financial obligations so that the reporting unit may conduct its activities (Reg 165).

## Reduced reporting requirements for particular reporting units

### Reporting units with substantial common membership with State registered bodies

Section 269 applies to a reporting unit where there is an associated State body which:-

- (a) is registered or recognised under industrial relations legislation of the States of New South Wales, Queensland, South Australia, Western Australia or Tasmania (Reg 163);
- (b) has substantially the same members; and
- (c) has officers who are substantially the same as officers of the reporting unit responsible for undertaking functions to enable accounting, auditing and reporting obligations to be met.

The reporting unit is taken to have satisfied its accounting, auditing and reporting obligations in relation to a financial year if section 269 applies to the reporting unit and:

- (a) a Registrar, on application of the reporting unit, issues a certificate stating that the financial affairs of the reporting unit are encompassed by those of the associated State body;
- (b) the associated State body has complied with similar obligations under State legislation;
- (c) the reporting unit has lodged a copy of the audited accounts of the associated State body with the Industrial Registry;
- (d) any members of the reporting unit not also members of the associated State body have been provided with copies of the audited accounts of the associated State body at about the same time as its members; and
- (e) members of the reporting unit have been provided with an operating report for the reporting unit together with the copies of the audited accounts of the associated State body.

### Organisations with income not exceeding \$100,000

A reporting unit that is the whole of an organisation may make an application after the end of a financial year for a certificate that its income for the year did not exceed \$100,000. Where a Registrar issues such a certificate reduced reporting requirements apply to the reporting unit for that financial year. Unless reduced as discussed below, all accounting, auditing and reporting obligations apply in full to the reporting unit.

- The general purpose financial report is required to be prepared within 4 months of the end of the financial year and with form and content as required by the reporting guidelines issued by the Industrial Registrar for purposes of section 270. There is no statutory requirement to prepare this report in accordance with Australian Accounting Standards (ss270(4) and Reg 164).
- The obligation to provide free of charge to its members a copy of the auditor's report and the general purpose financial report is limited to a member who has made such a request. The copies must be provided to the member within 14 days after receiving the request (ss270(6)).
- The timeframe within which to present the auditor's report and the general purpose financial report to a general meeting of the members of the reporting unit is extended to the end of the financial year immediately following the year to which those reports relate (s270(5)).
- The timeframe within which to lodge with the Registrar copies of the auditor's report and the general purpose financial report is 90 days (or such longer period as a Registrar allows) after the auditor makes a report to the reporting unit under section 257. The copies should be accompanied by a certificate by the secretary or another officer authorised by the rules of the reporting unit that the information contained in the general purpose financial report is correct (ss270(7) and Reg 164(2)).

This material has been prepared by the Australian Industrial Registry as a general guide to the Workplace Relations (Registration and Accountability of Organisations) legislation. This material should not be treated as advice on the circumstances of any particular case. This material does not have any legal status; the relevant law is set out in Schedule 1B to the Workplace Relations Act 1996 (the RAO Schedule), the RAO Schedule Regulations, the reporting guidelines of the Industrial Registrar issued under s255 of the RAO Schedule and the Workplace Relations Legislation Amendment (Registration and Accountability of Organisations) (Consequential Provisions) Act 2002.

Registration and Accountability of Organisations Legislation Fact Sheet

## Financial Reporting Process and Time-Limits

The Registration and Accountability of Organisations Schedule (Schedule 1B to the *Workplace Relations Act 1996*) [the RAO Schedule], generally comes into operation on 12 May 2003. The RAO Schedule contains most of the matters previously dealt with in the body of the *Workplace Relations Act 1996* [the Act], which relate to the registration and functioning of organisations of employers and employees under the Act. The *Workplace Relations Legislation Amendment (Registration and Accountability of Organisations) (Consequential Provisions) Act 2002* [the RAOCP Act], deals with various transitional provisions arising from the introduction of the Schedule.

### Steps in the Financial Reporting Process

The financial reports of a reporting unit must be prepared, audited, provided to members, presented to a meeting and lodged in the Industrial Registry within certain time-limits as set out in the RAO Schedule. These requirements are discussed below. The meaning of "reporting unit" is provided by section 242 and discussed in Registry Fact Sheet No. 06/2003 **Accounting, Auditing and Reporting Obligations** at [http://www.airc.gov.au/fact\\_sheets/06\\_fact\\_sheet.htm](http://www.airc.gov.au/fact_sheets/06_fact_sheet.htm).

#### Preparation of reports

1. A *general purpose financial report* ('GPFR') - that includes a *committee of management statement* - and an *operating report* ('OPR') must be prepared "as soon as practicable after the end of each financial year" [s253(1), s254(1)].

*The time-limit "as soon as practicable" is constrained by the time-limit for subsequent steps in the financial reporting process particularly the requirement to present both reports together with an auditor's report to a meeting within 6 months after the end of the financial year [s266].*

2. Preparation of a committee of management statement is required by the reporting guidelines issued by the Industrial Registrar under section 255 and must contain the declarations set out in those guidelines. The statement must be made in accordance with a resolution of the committee of management.

3. If the committee wishes to provide members with a copy of a *concise report* rather than of the full report it must pass a resolution to that effect [s265(2)].

4. The Registry refers to a meeting at which the resolutions referred to in 2 and 3 above are passed as the *first meeting* or the *preparation meeting*.

5. A statement showing the particulars of any loan, grant or donation of an amount exceeding \$1,000 must be prepared in time for it to be lodged in the Registry within 90 days after the end of the financial year [s237(1)].

#### Audit of financial report

6. An auditor's report must be prepared, signed and given to the reporting unit within a reasonable time of the auditor having received the GPFR. The auditor's report must be dated as at the date on which the auditor signs it [s257(9)].

*The time-limit "within a reasonable time" is constrained by the time-limit for subsequent steps in the financial reporting process particularly the requirement to present the reports together with an auditor's report to a meeting within 6 months after the end of the financial year [s266].*

#### Provision of reports to members and presentation to general meeting of members

7. The reporting unit must provide free of charge to its members copies of the GPFR, the OPR and the Auditor's report (the *full report*) or (where the committee of management has resolved under the rules of the reporting unit to do so) a *concise report* [s265(1), (2), (3) and Reg 161].

8. The copies must be provided to the members of the reporting unit at least 21 days before presentation of the full report to a general meeting of the members [s265(5)(a)].

9. 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 [s265(6)]. In the view of the Registry 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 (see also Reg 18); 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.

10. The full report must be presented to a general meeting of members within 6 months after the end of the financial year [s266(1)]. The Registry refers to this meeting as the *second meeting* or the *presentation meeting*.

11. Reporting units with membership widely dispersed should note that if the rules of the reporting unit permit a general meeting to be a series of meetings at different locations, the presenting of the full report to such a series of meetings will suffice [s266(2)].

12. A reporting unit may apply to the Registrar to have the 6 months time-limit for convening the general meeting of members extended by one month [s266(1) and s265(5)]. This has the dual effect of extending the time-limit for provision of documents to members by one month [s265(5)].

### **Provision of reports to members and presentation to a committee of management meeting**

13. The full report may be presented to a meeting of the committee of management *instead of* a general meeting of members if the rules provide that a general meeting of members can be called by 5% or less of members for the purpose of considering the full report [s266(3)]. The Registry also refers to this meeting as the *second meeting* or the *presentation meeting*.

14. Where the full report is to be presented to a committee of management meeting, the reporting unit must provide free of charge to its members copies of the full report or the concise report to the members of the reporting unit within 5 months after the end of the financial year [s265(5)(b)]. A Registrar may extend this time-limit by no more than one month [s265(5)].

15. The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in the same manner discussed at 9 above.

16. The committee of management meeting must also be held within 6 months after the end of the financial year [s266(3)]. There is no provision for extending the time-limit for holding this form of meeting.

### **Lodgment of documents in Registry**

17. A statement showing the relevant particulars of any loan, grant or donation of an amount exceeding \$1,000 must be lodged in the Registry within 90 days after the end of the financial year. Such a statement is not a public document but may be inspected at any registry, during office hours, by a member of the organisation or branch concerned [s237(4) and Reg 20(1)].

18. The following documents must be lodged in the Registry within 14 days after the presentation meeting [s268]:

a. a copy of the full report;

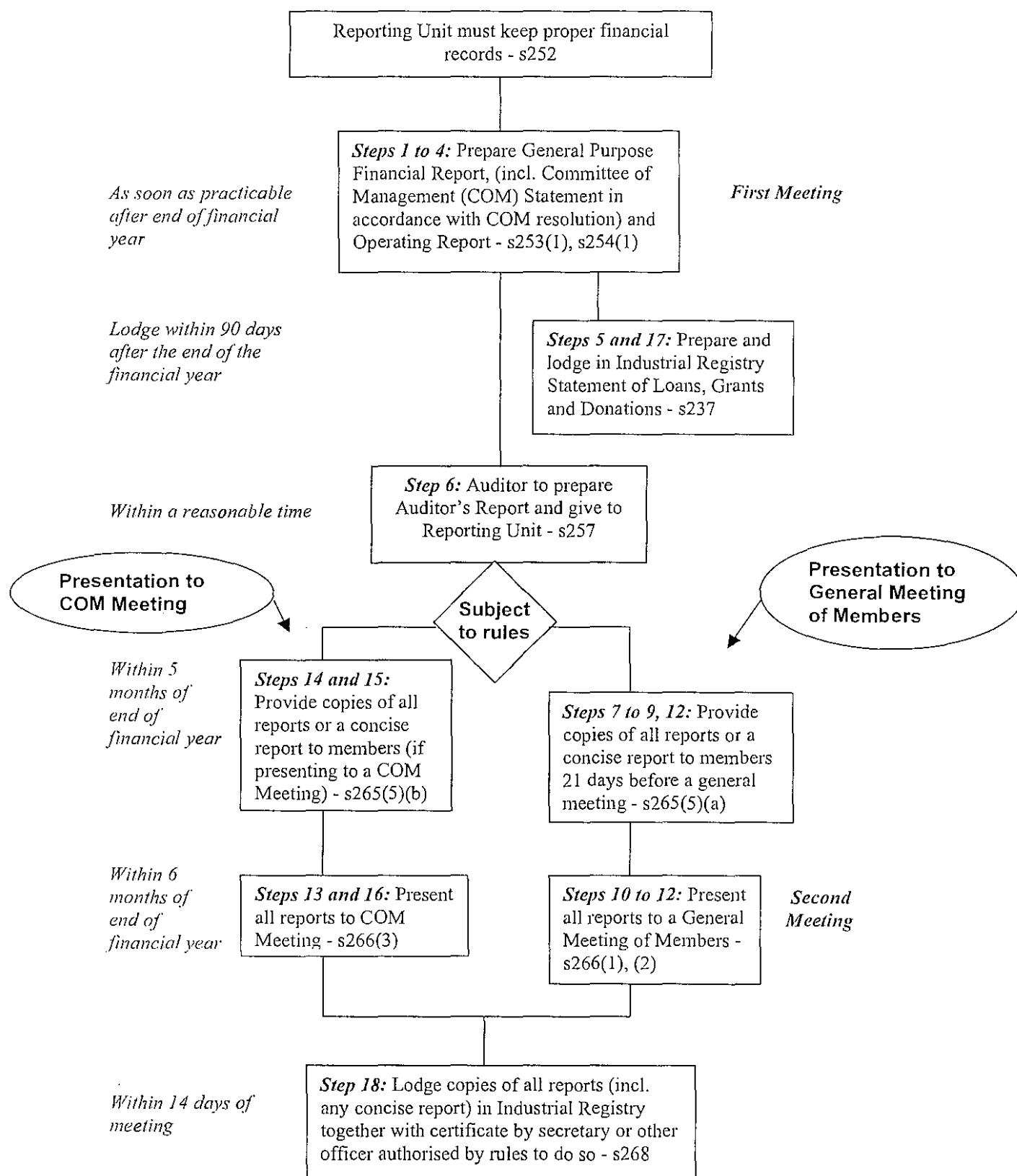
b. a copy of any concise report provided to the members; and

c. a certificate by the secretary or other officer of the reporting unit authorised by the rules of the reporting unit for the purpose that the documents lodged are copies of the documents provided to members and presented to the presentation meeting.

*The certificate should indicate the date on which the documents were provided to the members as well as the nature and date of the presentation meeting.*

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## Diagrammatic Summary of Financial Reporting Process and Time-Limits



**NOTE:** The references to steps relate to the narrative description of the Financial Reporting Process and Time-Limits in Registry FACT Sheet No. 08/2003 - [http://www.airc.gov.au/fact\\_sheets/08\\_fact\\_sheet.htm](http://www.airc.gov.au/fact_sheets/08_fact_sheet.htm)