



Australian Government
Australian Industrial Registry

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Ref: FR2005/598

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

Dear Mr Reynolds

Financial Return - year ending 31 December, 2005

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

Legislation

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

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

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

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

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

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

Reporting Unit

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

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

Industrial Registrar's Guidelines

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

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

Timeline Planner and Checklist

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

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

Three Reports

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

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

Financial Statements containing:

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

Notes to the Financial Statements containing:

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

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

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

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

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

First Meeting (Committee of Management)

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

The Auditor

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

Informing Your Members

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

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

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

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

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

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

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

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

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

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

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

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au). When lodging the financial return please quote: **FR2005/598**.

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

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

Complying with time limits

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

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

Extensions of Time

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

Reduced Reporting Requirements

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

Contact the Registry

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

Information on AIRC Website

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

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

Yours sincerely



For Deputy Industrial Registrar
27 January 2006

TIMELINE/ PLANNER

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

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

Documents Checklist

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

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

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

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

Committee Of Management Statement

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

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

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

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

Title of Office held:

Signature:

Date:

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

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

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

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

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

Signature

Date:

¹RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:

(a) the secretary; or

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

²Only applicable where a concise report is provided to members

³Insert whichever is applicable

Construction, Forestry, Mining and Energy Union


(Construction and General Division, Western Australian Divisional Branch)

FOR THE YEAR ENDED 31 DECEMBER, 2005

SECRETARY'S CERTIFICATE

I, Kevin Noel Reynolds being the Secretary of the Construction Forestry Mining and Energy Union Construction and General Division – Western Australian Divisional Branch certify:

- That the documentation lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- A Meeting of the Committee of Management on 13 March 2006 passed a resolution consistent with its statement contained within the full report; and
- That the full report was provided to members on the 12 April 2006 and 10 May 2006; and
- That the full report was presented to a general meeting of members on the 14th June 2006 in accordance with section 266 of the RAO Schedule.



Divisional Branch Secretary
CFMEU
Construction & General Division
Western Australian Divisional Branch

27 June 2006
Date



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

**Financial Report for the
Year ended 31 December 2005**



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

FOR THE YEAR ENDED 31 DECEMBER 2005

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

OPERATING REPORT

The Committee of Management present their operating report in respect of the year ended 31 December 2005 as follows:

Members of the Management Committee

The members of the Management Committee at any time during the year and the period for which he/she held the position were:

Kevin McParland, David Simpson, Campbell McCullough, Kevin Reynolds, Joseph McDonald, Leslie Wellington, Peter Ballard, Antony Kelly, James Reid, Joseph Arias, Glenn Hawkins, Patrick McCann, Peter McGrahan, Bernard Musial

Each of the above members held the position for the full year.

Review of Activities

The principal activity of the Branch during the course of the financial year was to act as the Western Australian representative of the federally registered Construction, Forestry, Mining, and Energy Union – Construction and General Division. The primary role of the Branch is to act on behalf of and to further the interests of its members.

There were no significant changes in the nature of the Branch's activities during the year.

The results of the activities for the year are summarised as follows:

- Total income was \$5,236,384 which represents a 29% increase from the prior year.
- Within total income, subscriptions increased 16% to \$3,953,745 whilst the Defence Fund income and legal levy income fell substantially due to the cessation of those sources of fundraising, which related to the 2002 Royal Commission.
- The Hardship Fund was established during the year, to raise funds for the purpose of assisting members, funding legal defences and costs incurred in challenging legislation.
- The surplus for the year was \$718,977 compared with \$99,837 in 2004. Full details of income and expenditure are set out on page 4.

Significant Changes in Financial Affairs

Significant changes in the state of affairs of the Branch during the year were:

- Total assets increased to \$3,365,437 as at 31 December 2005 (2004: \$2,353,352) with the increase arising mainly from increased Cash at Bank and investment in Managed Investments.
- Total liabilities increased to \$1,218,122 as at 31 December 2005 (2004: \$925,014) with the increase arising mainly from increased Provisions for Holiday Pay / LSL.
- Net Assets increased to \$2,147,315 as at 31 December 2005 (2004: \$1,428,338).

There were no other significant changes in the Branch's affairs during the financial period.

The Right of Members to Resign

A member may resign from the membership of the Union by a written notice addressed and delivered to the Divisional Branch Secretary or other officer of the Divisional Branch authorised to receive such correspondence.

Membership Information

The number of members of the Branch as at 31 December 2005 recorded in the register of members and taken to be members of the Branch were 7,496

Employee Information

The number of full time equivalent employees of the Branch as at 31 December 2005 was 26.

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

Trustee of a Superannuation Entity

No officer or member is a trustee of a superannuation entity or an exempt public sector superannuation scheme or a director of a company that is a trustee of such an entity or scheme, where the criterion for the officer or member holding such a position is being an officer or member of a registered organisation.

Signed on behalf of the Committee of Management

Dated this 14th day of March 2006.


Kevin Noel Reynolds
Secretary

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

**BALANCE SHEET
AS AT 31 DECEMBER 2005**

	Note	<u>31/12/05</u> \$	<u>31/12/04</u> \$
MEMBERS FUNDS			
Balance at Beginning of Year		1,428,338	1,328,501
Surplus/(Deficiency)		<u>718,977</u>	<u>99,837</u>
		<u>2,147,315</u>	<u>1,428,338</u>
REPRESENTED BY:			
CURRENT ASSETS			
Cash on Hand		100	600
Sundry Debtors		6,107	670
Cash at Bank		1,689,468	1,546,387
Managed Investments – at market value		860,316	-
Loans Receivable – CFMEUW	2	348,559	348,559
Loans Receivable – Construction Skills Training Centre	2	<u>8,786</u>	<u>8,786</u>
TOTAL CURRENT ASSETS		<u>2,913,336</u>	<u>1,905,002</u>
NON-CURRENT ASSETS			
Furniture & Fittings - at Cost		157,778	133,769
Less: Accumulated Depreciation		<u>(82,771)</u>	<u>(50,941)</u>
		75,007	82,828
Motor Vehicles – at cost		341,156	309,756
Less: Accumulated Depreciation		<u>(123,364)</u>	<u>(103,536)</u>
		217,792	206,219
Kalgoorlie Property		<u>159,302</u>	<u>159,302</u>
TOTAL NON CURRENT ASSETS		<u>452,101</u>	<u>448,350</u>
TOTAL ASSETS		<u>3,365,437</u>	<u>2,353,352</u>
CURRENT LIABILITIES			
Sundry Creditors		267,904	330,104
GST clearing Account		73,600	53,746
Provision for Holiday Pay	3	380,481	219,753
Trust Account		<u>23,916</u>	<u>21,747</u>
TOTAL CURRENT LIABILITIES		<u>745,901</u>	<u>925,014</u>
NON CURRENT LIABILITIES			
Provision for Long Service Leave	4	<u>472,221</u>	<u>299,664</u>
TOTAL NON CURRENT LIABILITIES		472,221	299,664
TOTAL LIABILITIES		<u>1,218,122</u>	<u>925,014</u>
NET ASSETS		<u>2,147,315</u>	<u>1,428,338</u>

To be read in conjunction with the attached notes.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	<u>31/12/05</u> \$	<u>31/12/04</u> \$
<u>INCOME</u>			
Subscriptions		3,953,745	3,400,066
Hardship Fund Income		620,161	-
Revaluation of Managed investments		82,305	-
Joining Fees		73,018	120,251
Other Receipts - Sundry Income		338,840	197,412
Interest Received		43,704	53,810
Rent Received		8,958	10,181
Eureka Products		(8,273)	(49,077)
Occupational Health and Safety Income		21,500	157,770
Administration - CSTC		109,413	123,017
Defence Fund Income		-	25,900
Legal Levy income		3,219	10,935
Gain / (loss) on Sale of Assets		<u>(10,206)</u>	<u>4,920</u>
		5,236,384	4,055,185
<u>EXPENDITURE</u>			
Advertising		60,419	150,716
Affiliation Fees		45,133	43,554
Auditor's Remuneration		18,573	17,597
Bank Charges		27,848	24,674
Campaign Costs		28,524	910
Charity Fund Expenditure		50,740	-
Computer Requirements		17,585	11,094
Consulting Fees		49,872	36,458
Depreciation		89,600	76,205
Donations		139,380	65,957
Freight		8,666	2,825
Funeral Benefits		300	300
Fringe Benefits Tax		20,869	18,254
Hardship Fund Expenditure		26,372	-
Insurance		76,601	72,944
Legal Costs		163,572	207,297
Legal Cover		-	67,500
Meeting Expenses		26,718	13,567
Motor Vehicle Expenses & Service charges		97,948	104,835
Payroll Tax		119,756	118,626
Parking		3,364	2,214
Photography		2,151	2,630
Printing, Postage & Stationery		150,217	122,168
Photocopying & Office Expenses		26,340	31,132
Provision for Employee Entitlements		334,283	88,235
Rent, Rates and Electricity		41,653	45,736
Repairs & Maintenance		16,383	10,504
Staff Amenities		18,675	81,586
Subscriptions		19,190	14,749
Superannuation Contributions	5	300,358	280,127
Sustentation Fees (Federal)		315,001	358,595
Telephone		114,198	82,441
Travel and Accommodation		389,574	225,955
Wages – Office holders	5	1,022,937	1,004,967
Wages - Other employees	5	<u>695,712</u>	<u>570,996</u>
		<u>4,517,407</u>	<u>3,955,348</u>
<u>SURPLUS/(DEFICIENCY)</u>		<u>718,977</u>	<u>99,837</u>

To be read in conjunction with the attached notes.

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2005**

	General Funds	Hardship Fund	Total
Balance at 1 January 2004	1,428,338	-	1,428,338
Surplus/(Deficit) for the period ended 30 December 2005	26,770	-	26,770
Net transfers into (from) Hardship Fund	<u>-</u>	<u>692,207</u>	<u>692,207</u>
Balance at 31 December 2005	<u>1,455,108</u>	<u>692,207</u>	<u>2,147,315</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 2005**

	<u>Notes</u>	<u>31/12/05</u> \$	<u>31/12/04</u> \$
<u>CASHFLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from members		4,028,932	3,531,253
Other receipts		1,088,345	603,760
Payments to suppliers and employees		(4,156,682)	(3,723,302)
Interest received		43,704	53,810
Taxes		19,154	(7,973)
		<hr/>	<hr/>
Net Cash Provided by (expended on) Operating Activities	7	1,024,149	457,548
		<hr/>	<hr/>
<u>CASHFLOWS FROM INVESTING ACTIVITIES</u>			
Payments for Investments		(778,011)	-
Payments for Plant & Equipment		(142,696)	(133,976)
Proceeds from Sale of Equipment		39,138	-
		<hr/>	<hr/>
Net Cash Provided by (used in) Investing Activities		(881,569)	(133,976)
		<hr/>	<hr/>
<u>CASHFLOW FROM FINANCING</u>			
Decrease in Loans Payable		-	-
Decrease in Loans Receivable		-	-
		<hr/>	<hr/>
Net Cash Provided by Financing Activities		-	-
		<hr/>	<hr/>
Net Increase (Decrease) in Cash Held		142,580	323,572
Cash at 1 January 2005		1,546,987	1,223,415
		<hr/>	<hr/>
Cash at 31 December 2005		<u>1,689,468</u>	<u>1,546,987</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 2005
NOTES TO AND FORMING PART OF THE ACCOUNTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Australian Accounting Standards and the reporting guidelines made under section 255 of Schedule 1B of the Workplace Relations Act 1996.

The financial statements 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 and are reviewed at least annually to determine whether their carrying amounts require write down to recoverable amounts.

Depreciation of furniture and fittings are calculated in order to write the assets off over their estimated useful life.

Depreciation rates and methods are:

Furniture & Fittings	Diminishing Value	10-37.5%pa
Motor Vehicles	Diminishing Value	22.5%pa

- (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 is made for the Union's liability for employee benefits arising from services rendered by employees at balance date.

Liability for Annual Leave benefits are expected to be settled within 12 months and are therefore considered current liabilities. Liability for Long Service Leave benefits are not expected to be settled within 12 months and are therefore considered non current liabilities, notwithstanding that immaterial amounts may be settled within the next 12 months.

Provisions for employee benefits are brought to account at the amounts expected to be paid when the liability is settled, plus related on – costs.

Superannuation contributions made by the Branch are expensed when due.

- (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.

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

**FOR THE YEAR ENDED 31 DECEMBER 2005
NOTES TO AND FORMING PART OF THE ACCOUNTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) **GOODS & SERVICES TAX (GST)**

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where GST incurred on purchases is not recoverable from the ATO, GST is recognised as part of the cost of the purchase.
- Receivables and payables are stated with the amount of GST included.

(h) **FIRST TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")**

These accounts are the first financial statements of the Union to be prepared in accordance with Australian Equivalents to IFRS. The accounting policies set out above have been consistently applied to all years presented.

Reconciliations of the transition from previous Australian GAAP to IFRS have not been included in this annual report as no changes to accounting policies or financial results/balances have resulted from the introduction of IFRS.

2. LOANS RECEIVABLE

The loans receivable from the Construction Forestry Mining and Energy Union of Workers (CFMEUW) and the Construction Skills Training Centre (CSTC) are unsecured, interest free and at call.

	<u>31/12/05</u>	<u>31/12/04</u>
	\$	\$
3. PROVISION FOR HOLIDAY PAY		
Amounts payable to:		
- Office holders	266,147	151,877
- Other Employees	<u>114,334</u>	<u>67,876</u>
	<u>380,481</u>	<u>219,753</u>
 4. PROVISION FOR LONG SERVICE LEAVE		
Amounts payable to:		
- Office holders	387,174	242,093
- Other Employees	<u>85,047</u>	<u>57,571</u>
	<u>472,221</u>	<u>299,664</u>

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

**FOR THE YEAR ENDED 31 DECEMBER 2005
NOTES TO AND FORMING PART OF THE ACCOUNTS**

5. EMPLOYEE BENEFITS

Employee benefits paid to Office holders during the year comprised of:

Wages	972,386	936,724
Annual leave/long service leave	<u>50,551</u>	<u>68,243</u>
	1,022,937	1,004,967

Non monetary benefits	56,114	47,493
Superannuation	<u>202,999</u>	<u>155,756</u>
	<u>1,282,050</u>	<u>1,208,216</u>

Employee benefits paid to other employees during the year comprised:

Wages	652,114	527,754
Annual leave/long service leave	<u>43,598</u>	<u>43,242</u>
	695,712	570,996

Non monetary benefits	8,050	8,222
Superannuation	<u>97,359</u>	<u>124,371</u>
	<u>801,121</u>	<u>703,589</u>

6. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of Section 272, subsections (1), (2) and (3) 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.

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

FOR THE PERIOD ENDED 31 DECEMBER 2005

NOTES TO AND FORMING PART OF THE ACCOUNTS

7. CASHFLOW INFORMATION

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

	<u>31/12/05</u>	<u>31/12/04</u>
	\$	\$
Operating Surplus	718,977	99,837
Non cash flows in operating surplus		
Depreciation	89,600	76,205
Revaluation of Managed Investments	(82,305)	-
Changes in Assets and Liabilities		
(Increase)/decrease in sundry debtors	(5,437)	26,325
Increase/(decrease) in sundry creditors	(60,031)	182,039
Increase/(decrease) in employee entitlements	333,285	88,235
(Profit)/Loss on sale of investments/assets	10,206	(4,920)
(Increase) in loans receivable	-	(2,200)
Increase/(Decrease) in taxes	19,854	(7,973)
	<hr/>	<hr/>
Cash Flows from (to) Operations	<u>1,024,149</u>	<u>457,548</u>

8. CONTINGENT LIABILITIES

The Union and specified officials are being sued for unspecified damages in four separate actions arising from industrial disputes. The Committee of Management are of the opinion that the actions will be successfully defended by the Union and are currently involved in litigation challenging the actions.

Given the nature of these actions and advice from legal counsel, it is not practicable to estimate the potential financial impact, if any, of these actions at this time.

9. RELATED PARTY DISCLOSURES

There are no related party transactions other than remuneration of office holders, as discussed in Note 5, loans receivable from the Construction Forestry Mining and Energy Union of Workers (CFMEUW) and Construction Skills Training Centre (CSTC), as disclosed in the Balance Sheet and Administration fees charged to the Construction Skills Training Centre, as disclosed in the Income Statement.

10. EVENTS SUBSEQUENT TO BALANCE DATE

No matters or events have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Branch, the results of those operations or the state of affairs of the Branch in subsequent financial periods.

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

FOR THE YEAR ENDED 31 DECEMBER 2005

**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY
CASH BASIS FOR YEAR ENDED 31 DECEMBER 2005**

	2005 \$	2004
Receipts		
Amounts recovered from employers in respect of wages etc (in respect of 75 workers in 2005 and 134 workers in 2004)	46,582	248,156
Interest received on recovered money	<u>396</u>	<u>402</u>
Total receipts	<u><u>46,978</u></u>	<u><u>248,558</u></u>
Payments		
Deductions of amounts due in respect of membership for:		
• 12 months or less	1,101	3,982
• greater than 12 months		762
Deductions of donations or other contributions to accounts Or funds of:		
• Construction & Building Industry Super	-	6,000
• WA Construction Industry Redundancy Fund	-	-
Deductions of fees or reimbursement of expenses		402
Payments to workers in respect of recovered money	<u>43,708</u>	<u>240,123</u>
Total payments	<u><u>44,809</u></u>	<u><u>251,269</u></u>
Surplus / Deficit for the year	<u><u>2,169</u></u>	<u><u>(2,711)</u></u>
BALANCE SHEET AS AT 31 DECEMBER 2005		
ASSETS		
Cash at bank at beginning of period	21,747	24,458
Add Excess (deficiency) of Receipts over Payments	<u>2,169</u>	<u>(2,711)</u>
TOTAL ASSETS	<u><u>23,916</u></u>	<u><u>21,747</u></u>
LIABILITIES		
Unclaimed Wages (in respect of 48 workers In 2005 and 44 workers in 2004)	<u><u>23,916</u></u>	<u><u>21,747</u></u>

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

FOR THE YEAR ENDED 31 DECEMBER 2005

COMMITTEE OF MANAGEMENT STATEMENT

The Committee of Management of Construction Forestry Mining and Energy Union Construction and General Division – WA 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 2005:

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 the 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: Kevin Noel Reynolds

Title of Office held: Secretary

Signature:

Dated this

14th

day of MARCH 2006.

AUDITORS REPORT

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

Scope

We have audited the Accounts of the Construction Forestry Mining and Energy Union Construction and General Division – WA Branch for the year ended 31 December 2005, including the Recovery of Wages – Statement of Receipts and Payments.

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, notes, Recovery of Wages – Statement of Receipts and Payments and statements on pages 3 to 12 have been prepared in accordance with applicable Accounting Standards, and are properly drawn up in accordance with the provisions of Section 255 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 2005, including properly and fairly reporting all information required by the reporting guidelines of the Industrial Registrar; and
 - b) the income and expenditure and surplus of the organisation for the year ended on that date.

Moore Stephens

MOORE STEPHENS
CHARTERED ACCOUNTANTS
PERTH

Neil Pace

NEIL PACE
PARTNER
REGISTERED COMPANY AUDITOR
182668

Dated this

4th

day of

April

2006 in Perth, Western Australia.



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 Kevin Reynolds
Divisional Branch Secretary, Western Australia Branch
Construction and General Division
Construction, Forestry, Mining and Energy Union
PO Box 6681
EAST PERTH WA 6892

Dear Mr Reynolds

**Re: Lodgement of Financial Statements and Accounts – Construction and General
Division, Western Australian Divisional Branch – for year ending 31 December 2005
(FR2005/598)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 29 June 2006.

I note that the financial report contained on page 11 a separate Recovery of Wages Activity report. Your auditor has also made a reference to the Recovery of Wages statement in his Report.

I take this opportunity to bring to your attention paragraph 25(f) of the amended Industrial Registrar's Guidelines applying to all financial years commencing after 11 November 2004. Paragraph 25(f) requires that the Committee of Management Statement contain various declarations in relation to such recovery wages activity.

25. *The committee of management statement must include declarations by the committee of management as to whether in the opinion of the committee of management that:*

.....

(f) in relation to recovery of wages activity:

- (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and*
- (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and*
- (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and*

- (iv) *that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and*
- (v) *no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.*

My purpose in drawing the above provisions to your attention is so that if such activity occurs again in future years, you are aware that the Committee of Management Statement should contain these declarations.

The legislative requirements in respect of the above financial report having been substantially met, the documents have been filed.

Yours sincerely,



Stephen Kellett
for Deputy Industrial Registrar

2 August 2006