



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 9374 6666
Fax: (02) 9380 6990

Ref: FR2004/671-[105N-ATAI]

Mr Trevor Smith
Divisional Secretary
CFMEU - Forestry, Furnishing, Building Products &
Manufacturing Division
Level 1, 125 Port Road
HINDMARSH SA 5007

Dear Mr Smith

Financial Return - year ending 31 December, 2004

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

New legislation

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

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

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

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

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

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

Reporting Unit

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

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

Industrial Registrar’s Guidelines

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

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

Timeline Planner and Checklist

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

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

Three Reports

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

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

Financial Statements containing:

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

Notes to the Financial Statements containing:

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

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

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

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

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

First Meeting (Committee of Management)

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

The Auditor

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

Informing Your Members

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

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

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

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

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

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

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

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

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

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

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

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au). When lodging the financial return please quote: **FR2004/671**.

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

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

Complying with time limits

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

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

Extensions of Time

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

Reduced Reporting Requirements

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

Contact the Registry

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

Information on AIRC Website

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

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

Yours sincerely



for Deputy Industrial Registrar
19 January 2005

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:

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

(a) the secretary; or

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

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*



20th June 2005



CONSTRUCTION

- FORESTRY**
- MINING**
- ENERGY**
- UNION**

Deputy Industrial Registrar
PO Box 8255
Station Arcade
South Australia 5000

Attention: P Kinne

ABN 91 691 430 210

Dear Sir

Re: Secretary's Certificate

Please find enclosed a copy of the Annual Accounts and Auditors Report for the National Office, Forestry & Furnishing Products Division of the Construction, Forestry, Mining & Energy Union for the year ended 31st December 2004.

The documents contained herein are copies of the full report referred to in s268 of the RAO Schedule.

The financial report was tabled at the National Executive meeting held on 5th April 2005. At this meeting it was moved that the Audited Accounts be signed by the appropriate officers and for a full report be forwarded to the Branches, to then be distributed to the membership.

Subsequently at the required second meeting held 10th June 2005 it was moved that the Audited Financial accounts be adopted and forwarded to the Registrar.

I now request that these documents be lodged accordingly.

Yours sincerely

Trevor Smith
National Secretary
Forestry & Furnishing Products Division
CFMEU



National Secretary

TREVOR W SMITH

National Office

Level 1

125 Port Road

HINDMARSH S.A. 5007

Ph: (08) 8424 3000

Fax: (08) 8424 3011

Email:

cfmeuffpd@optusnet.com.au

Outside Australia

International Code

Ph: 61 8 8424 3000

Fax: 61 8 8424 3011

Visit us at www.cfmeu-forestdivision.com.au

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

FORESTRY FURNITURE BUILDING PRODUCTS & MANUFACTURING DIVISION (NATIONAL OFFICE)

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER, 2004

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Prepared by:

Major, May & Associates
Chartered Accountants

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**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
FORESTRY FURNITURE BUILDING PRODUCTS
& MANUFACTURING DIVISION
(NATIONAL OFFICE)**

OPERATING REPORT

This Operating Report covers the activities of the National Office of the Union, for the financial year ended 31st December, 2004, the results of those activities and any significant changes in the nature of those activities during the year.

1. Principal Activities of the Union

The principal activities of the Union during the past year fell into the following categories:

- Implementation of the decisions of the National Divisional Executive and National Conference.
- Implementation of the Union's organising agenda, including direct assistance and strategic advice on particular industry sector or site organising projects, the training and development of officials and assistance to Branches on planning, resourcing and conducting campaigns.
- Industrial support including representation of membership grievances, research, interpretation and advice on legal and legislative matters, and advocacy before industrial tribunals.
- Facilitation of communication within and between the Branches including the National Journal and website.
- Pursuing relevant changes to the conditions of eligibility rules of the Union, and responding to other unions' rules applications where they impact on membership of the CFMEU FFPD.
- The interpretation and administration of Awards and Agreements, and making applications to vary Awards on behalf of Branches to upgrade or amend them.
- Management of information technology and strategic membership system designs to support organising.

The Union has also been involved in lobbying and negotiations with different levels of Government and key industry organisations around issues of importance to CFMEU FFPD members, eg Forestry Policies of major political parties during the 2004 Federal Election.

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
FORESTRY FURNITURE BUILDING PRODUCTS
& MANUFACTURING DIVISION
(NATIONAL OFFICE)**

OPERATING REPORT (Cont.)

2. The Union's Financial Affairs

The financial affairs of the Union include the ongoing expense of the legal action which commenced during 2003 against the CFMEU FFPD in respect to proceedings issued in the Supreme Court of Victoria by 'Greens' protestors, including a paid Wilderness Society Officer, alleging that they were "unlawfully detained and deprived of their liberty during the week commencing 25th January 1999".

Although the initial court case has now concluded and a decision handed down, the protestors are seeking to appeal the court's decision and therefore the Division is expecting further costs in 2005.

3. Right of Members to Resign

All Members of the Union have the right to resign from the Union in accordance with Rule 11 of the Union Rules, (and Section 174 of the Workplace Relations Act); namely, by providing written notice addressed and delivered to the Divisional Branch Secretary or other authorised officer of the Divisional Branch, including via email.

4. Superannuation Trustees

Trevor Smith is the National Divisional Secretary of the Union and holds the following positions:

- Chair of the Board of Directors of the Furniture Industry Retirement & Superannuation Trust (FIRST Super)
- Co-Chair of the Board of Directors of the Timber Industry Superannuation Scheme (TISS) fund
- Director of the Board of Directors of the Industry Funds Services (IFS) fund

Michael O'Connor is the Senior National Divisional Secretary of the Union and holds the following positions:

- Director of the Board of Directors of the Furniture Industry Retirement & Superannuation Trust (FIRST Super)
- Director of the Board of Directors of the Timber Industry Superannuation Scheme (TISS) fund

5. Membership of the Union

There were 20,983 members of the union as at 31st December, 2004.

6. Employees of the Union

As at 31st December, 2004, the CFMEU FFPD National Office employed 5 full time employees.

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
FORESTRY FURNITURE BUILDING PRODUCTS
& MANUFACTURING DIVISION
(NATIONAL OFFICE)**

OPERATING REPORT (Cont.)

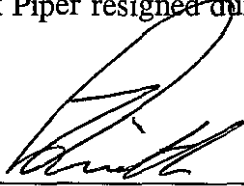
7. NATIONAL DIVISIONAL EXECUTIVE

The following persons were members of the National Executive, during the year ended 31st December, 2004;

Name	Period of appointment
Jane Calvert	October 2001 – October 2005
*Phillip Illidge	October 2001 – October 2005
Brad Parker	February 2002 – October 2005
Craig Smith	October 2001 – October 2005
Trevor Smith	October 2001 – October 2005
Michael O'Connor	October 2001 – October 2005
Tim Woods	September 2003 – October 2005
Leo Skourdoumbis	February 2002 – October 2005
Kenneth Miller	October 2001 – October 2005
David Kirner	February 2002 – October 2005
Frank Vari	February 2002 – October 2005
Scott McLean	October 2001 – October 2005
Gary Jaeschke	October 2001 – October 2005
Greg Williams	February 2002 – October 2005
*Yorrick Piper	October 2002 – October 2004

*Phillip Illidge retired during 2004

*Yorrick Piper resigned during 2004



**TREVOR SMITH
NATIONAL DIVISIONAL SECRETARY**

Dated, 5th April 2005

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
FORESTRY FURNITURE BUILDING PRODUCTS
& MANUFACTURING DIVISION
(NATIONAL OFFICE)

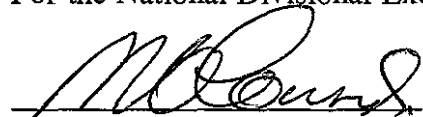
NATIONAL DIVISIONAL EXECUTIVE STATEMENT

On 5th April, 2005 the National Divisional Executive of the Union passed the following resolution to the general purpose financial report (GPFR) of the Union for the year ended 31st December, 2004.

The National Divisional Executive declares in relation to the GPFR that in its opinion:

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year ended 31st December, 2004;
- (d) there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31st December, 2004 and since the end of the financial year:
 - (i) meetings of the National Divisional Executive were held in accordance with the rules of the organisation and the rules of the National Divisional Executive;
 - (ii) the financial affairs of the Union have been managed in accordance with the rules of the organisation and the rules of the Union;
 - (iii) the financial records of the Union have been kept and maintained in accordance with Schedule 1B to the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003;
 - (iv) the financial records of the Union have been kept, as far as practicable, in a manner consistent with each of the other branches of the organisation;
 - (v) no information has been sought by any request of a member of the Union or a Registrar under section 272 of Schedule 1B to the Workplace Relations Act 1996; and
 - (vi) no orders have been made by the Industrial Registrar under section 273 of Schedule 1B to the Workplace Relations Act 1996.

For the National Divisional Executive



MICHAEL O'CONNOR



JANE CALVERT

Dated 5th April 2005

**CONSTRUCTION, FORESTRY,
MINING & ENERGY UNION
FORESTRY FURNITURE BUILDING PRODUCTS
& MANUFACTURING DIVISION
(NATIONAL OFFICE)**

AUDITOR'S REPORT TO THE MEMBERS
For the year ended 31st December, 2004



SCOPE

We have audited the Accounts, being the Statement of Financial Position, Statement of Accumulated Funds, Statement of Financial Performance, Statement of Cash Flows and Notes to and Forming part of the Accounts, of the Construction, Forestry, Mining & Energy Union, Forestry Furniture Building Products & Manufacturing Division (National Office), for the year ended 31st December, 2004.

The Divisional Executive are responsible for the preparation and presentation of the Accounts and the information they contain.

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

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the Accounts are free from material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the Accounts, and the evaluation of accounting policies and significant accounting estimates.

These procedures have been undertaken to form an opinion as to whether, in all material respects, the Accounts are presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view of the Division which is consistent with our understanding of its financial position and the results of its operations.

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

AUDIT OPINION

In our opinion:-

- (1) There were kept by the Division in respect of the year ended 31st December, 2004, satisfactory accounting records detailing the sources and nature of the Income of the Division (including Income from Members) and the nature and the purposes of Expenditure.

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
FORESTRY FURNITURE BUILDING PRODUCTS
& MANUFACTURING DIVISION
(NATIONAL OFFICE)**

AUDITOR'S REPORT TO THE MEMBERS (cont.)
For the year ended 31st December, 2004

AUDIT OPINION (CONT.)

- (2) The attached Accounts and Statements are properly drawn up:-
- (a) in accordance with the Workplace Relations Act, 1996, as amended;
 - (b) so as to give a true and fair view of;
 - (i) the state of affairs of the Division as at 31st December, 2004; and
 - (ii) the Income and Expenditure and surplus of the Division for the year ended on that date;
 - (c) in accordance with applicable Accounting Standards; and
 - (d) so as to comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act.
- (3) We received from the Officers and Employees of the Division all the information and explanations which we required for the purposes of our audit.

MAJOR, MAY & ASSOCIATES
Chartered Accountants



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

Signed at Adelaide this *6th* day of *April*, 2005.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
FORESTRY FURNITURE BUILDING PRODUCTS
& MANUFACTURING DIVISION
(NATIONAL OFFICE)

STATEMENT OF FINANCIAL POSITION
As at 31st December, 2004

	Notes	<u>2004</u>	<u>2003</u>
ACCUMULATED FUNDS		\$	\$
Asset Revaluation Reserve	6	9,407	-
Accumulated Surplus		608,361	567,856
		<hr/>	<hr/>
TOTAL FUNDS		617,768	\$567,856
		<hr/>	<hr/>
These Funds are represented by:-			
CURRENT ASSETS			
Commonwealth Bank Accounts			
Cheque Account		182,582	33,702
Term Deposits - Translation Account		-	18,721
- Long Service Leave Account		-	68,559
- Benevolent Fund		-	28,874
- Investment Account		87,093	223,355
Association of Forest Workers Product Account		28	53
Total Cash at Bank		269,703	373,264
		<hr/>	<hr/>
Cash on Hand		1,450	1,450
Benevolent Fund Levy in Arrears	5	-	3,000
Sustentation Fees Due		125,327	95,383
Sustentation Fees in Arrears - W.A. Branch		93,606	75,731
Reimbursements Due - W.A. Branch		45,511	45,511
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		535,597	594,339
CURRENT LIABILITIES			
Accounts Payable		(4,421)	38,337
Women's Equity Fees Received in Advance		3,000	3,000
Provision for Annual Leave	1(d),8	32,135	58,955
Provision for Long Service Leave	1(d),8	3,675	-
		<hr/>	<hr/>
TOTAL CURRENT LIABILITIES		34,389	100,292
		<hr/>	<hr/>
NET WORKING CAPITAL		501,208	494,047
		<hr/>	<hr/>

To be read in conjunction with the notes to accounts.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
FORESTRY FURNITURE BUILDING PRODUCTS
& MANUFACTURING DIVISION
(NATIONAL OFFICE)

STATEMENT OF FINANCIAL POSITION (cont.)
As at 31st December, 2004

	Notes	<u>2004</u>	<u>2003</u>
		\$	\$
FIXED ASSETS			
20% Equity in Strata Title Units 19 & 20 at Valuation	6	46,982	-
20% Equity in Strata Title Units 19 & 20 at Cost	6	-	37,575
		<hr/>	<hr/>
		46,982	37,575
 Motor Vehicles at Cost		 53,028	 44,946
Less : Provision for Depreciation		<u>(16,092)</u>	<u>(23,534)</u>
		36,936	21,412
 Office Furniture & Equipment at Cost		 53,277	 54,931
Less : Provision for Depreciation		<u>(20,635)</u>	<u>(40,109)</u>
		32,642	14,822
 TOTAL FIXED ASSETS		 <hr/> 116,560	 <hr/> 73,809
 NET ASSETS		 <hr/> \$ 617,768	 <hr/> \$ 567,856

To be read in conjunction with the notes to accounts.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
FORESTRY FURNITURE BUILDING PRODUCTS
& MANUFACTURING DIVISION
(NATIONAL OFFICE)

STATEMENT OF ACCUMULATED FUNDS
For the year ended 31st December, 2004

	<u>2004</u>	<u>2003</u>
	\$	\$
Accumulated Funds Brought Forward	567,856	444,263
add Current Year Surplus/(Deficit)	40,505	123,593
	<hr/>	<hr/>
ACCUMULATED SURPLUS AT 31 DECEMBER	\$ 608,361	\$ 567,856
	<hr/>	<hr/>

To be read in conjunction with the notes to accounts.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
FORESTRY FURNITURE BUILDING PRODUCTS
& MANUFACTURING DIVISION
(NATIONAL OFFICE)

STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 31st December, 2004

	Notes	<u>2004</u>	<u>2003</u>
INCOME		\$	\$
Sustentation Fees from Branches		941,771	884,234
Travel & Accommodation Reimbursements		-	5,298
Consulting & Board Fees		194,612	75,000
Contributions to Legal Costs		-	379,431
Interest Received - Benevolent Fund		1,058	812
Interest Received - General		15,220	9,546
Sundry Income		6,608	8,353
TOTAL INCOME		<u>1,159,269</u>	<u>1,362,674</u>
EXPENDITURE			
Advertising		186	-
Affiliation Fees	3	127,554	127,554
Audit & Accountancy Fees		4,535	4,125
Bank Fees, State & Federal Taxes		1,579	1,284
CFMEU National Office		1,789	250
Child Labour Support Campaign		1,621	2,288
Computer Expenses		9,086	14,796
Conference & Travelling Expenses		86,880	69,413
Depreciation		14,951	9,684
Donations		270	260
Election Campaign Contribution		49,044	-
Fringe Benefits Tax		2,083	1,137
Insurance		7,046	4,920
Legal Fees - Otways	7	290,401	458,001
Legal & Industrial Expenses - Other		405	2,261
Light & Power		2,696	1,158
Motor Vehicle Expenses		4,327	6,040
National Conference		11,994	1,606
Office Expenses		4,926	5,186
Postage & Freight		1,648	2,178
Printing & Stationery		8,666	8,236
Project Consultancy		-	29,073
Publications & Subscriptions		1,837	2,018
Rates & Taxes		4,396	1,690

To be read in conjunction with the notes to accounts.

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
FORESTRY FURNITURE BUILDING PRODUCTS
& MANUFACTURING DIVISION
(NATIONAL OFFICE)**

STATEMENT OF FINANCIAL PERFORMANCE (cont.)
For the year ended 31st December, 2004

	Notes	<u>2004</u>	<u>2003</u>
		\$	\$
Rent			
Relocation Costs		28,339	-
Salaries & On Costs		23,975	-
Salaries & Allowances – Officials		275,400	258,417
– Other		58,202	45,670
Superannuation		62,188	67,650
Payroll Tax		16,392	15,112
Workcover		5,858	6,812
Provision for Annual Leave		(26,820)	42,122
Provision for Long Service Leave		3,675	7,616
Total Salaries & On Costs		<u>394,895</u>	<u>443,399</u>
Strata Title Unit Maintenance		2,455	4,667
Sundry Expenses		2,306	309
Telephone & Facsimile		26,442	34,478
Training & Education		2,433	3,070
TOTAL EXPENDITURE		<u>1,118,764</u>	<u>1,239,081</u>
OPERATING SURPLUS FOR THE YEAR		<u>\$40,505</u>	<u>\$123,593</u>

To be read in conjunction with the notes to accounts.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
FORESTRY FURNITURE BUILDING PRODUCTS
& MANUFACTURING DIVISION
(NATIONAL OFFICE)

STATEMENT OF CASH FLOWS
For the year ended 31st December, 2004

	Notes	<u>2004</u> \$
CASH FROM OPERATING ACTIVITIES		
Sustentation Fees		893,953
Payments to Suppliers and Employees		(1,169,718)
Interest Received		16,278
Other Income		201,220
		<hr/>
NET CASH USED IN OPERATING ACTIVITIES	10	(58,267)
		<hr/>
CASH FROM INVESTING ACTIVITIES		
Proceeds from Sale of Plant & Equipment		22,250
Payment for Plant & Equipment		(67,546)
		<hr/>
NET CASH USED IN INVESTING ACTIVITIES		(45,296)
		<hr/>
NET INCREASE/(DECREASE) IN CASH HELD		(103,563)
Cash at Beginning of Year	9	374,716
		<hr/>
CASH AT END OF YEAR	9	<u>\$271,153</u>

Note: This is the first time a Statement of Cash Flows has been prepared. As such, no comparative information is available for 2003.

To be read in conjunction with the notes to accounts.

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
FORESTRY FURNITURE BUILDING PRODUCTS
& MANUFACTURING DIVISION
(NATIONAL OFFICE)**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 31st December, 2004**

Note 1. Accounting Methods

The Accounts are prepared under the Historical Cost Convention on an accruals basis and in accordance with the Accounting Standards jointly issued by the Australian Professional Accounting Bodies. In particular:-

- (a) The Accounts have not been adjusted to reflect changes in the general purchasing power of the dollar or in the prices of specific assets.
- (b) Provision is made for depreciation of Fixed Assets at rates considered appropriate to the useful lives of such assets.
- (c) 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.
- (d) Provision for Employees' Benefits, in the form of Long Service Leave and Annual Leave, has been made on the basis of employees' terms of Employment. Long Service Leave is accrued from the commencement of employment, and on the basis of historical data the total Provision is classified as a current liability.

Note 2. Information to be provided to Members or Registrar

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of Members is drawn to the provisions of Section 272 of Schedule 1B, which read as follows:-

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

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
FORESTRY FURNITURE BUILDING PRODUCTS
& MANUFACTURING DIVISION
(NATIONAL OFFICE)**

NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 31st December, 2004
(cont.)

Note 3. Affiliation Fees

	<u>2004</u>	<u>2003</u>
	\$	\$
CFMEU National Office	127,544	127,554
	<u>\$ 127,544</u>	<u>\$ 127,554</u>

Note 4. Contingent Liability \$Nil (2003 \$Nil)

Subject to the final outcome of the Legal Action described in Note 7 to these Accounts, the Divisional Executive is not aware of any Contingent Liabilities.

Note 5. Fund Levies Due

	<u>2004</u>	<u>2003</u>
	\$	\$
Benevolent Fund Levy due by Tasmanian Branch	-	3,000
	<u>-</u>	<u>\$ 3,000</u>

The Benevolent Fund was established several years ago by imposing a levy on each Branch. The levy payable by the Tasmanian Branch for the "Benevolent Fund" was paid during 2004.

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
FORESTRY FURNITURE BUILDING PRODUCTS
& MANUFACTURING DIVISION
(NATIONAL OFFICE)

NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 31st December, 2004
(cont.)

Note 6. Valuation of Strata Title Units

The Division's 20% equity in Strata Title Units 19 and 20 at Trades Hall has previously been carried in the accounts at cost. However, there is now a contract in place for the sale of Trades Hall, and the Divisional Executive believe it is appropriate to revalue the equity in these units to reflect the amount which will be received following settlement of the sale in June 2005.

Note 7. Legal Action re Otways

During the year ended 31st December 2003, a substantial legal action was commenced against the CFMEU, FFPD Division, in respect of proceedings issued in the Supreme Court of Victoria by a number of 'Greens' protestors, which included a paid Wilderness Society Officer, alleging that they were "unlawfully detained and deprived of their liberty during the week commencing 25th January 1999".

Although the initial court case has now concluded and a decision handed down, the protestors are seeking to appeal the court's decision and therefore the Division is expecting further costs in 2005.

Contributions to legal fees were made during 2003 by each Branch in proportion to their membership, and the total of these contributions was shown separately last year as Income Received. No further contributions were received during 2004.

Note 8. Leave Provisions

Two long serving officials were paid the balance of their Long Service Leave Entitlement during 2003. As a result, the Provision for Long Service Leave only reflects one year's increment in the provision for these two officials at 31st December 2004.

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
FORESTRY FURNITURE BUILDING PRODUCTS
& MANUFACTURING DIVISION
(NATIONAL OFFICE)**

NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 31st December, 2004
(cont.)

Note 9. Reconciliation of Cash

For the purpose of the Statement of Cash Flows, Cash includes Cash on Hand, and in At Call Deposits with Banks or Financial Institutions, net of Bank Overdrafts.

	<u>2004</u>	<u>2003</u>
	\$	\$
Cash at Bank	269,703	373,266
Cash on Hand	1,450	1,450
	\$271,153	\$374,716

Note 10. Reconciliation of Cash Flow from Operations with Net Surplus

	<u>2004</u>
	\$
Net Surplus	40,505
Non Cash Flows in Net Surplus	
Depreciation	14,951
Employee Leave Provisions	(23,145)
Changes in Assets and Liabilities	
(Increase)/Decrease in Sustentation Fees Due	(29,944)
(Increase)/Decrease in Other Receivables	(17,875)
Increase/(Decrease) in Creditors	(42,759)
CASH FLOWS USED IN OPERATIONS	(\$58,267)



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 Trevor Smith
Divisional Secretary
CFMEU - Forestry, Furnishing, Building Products & Manufacturing Division
Level 1, 125 Port Road
HINDMARSH SA 5007

Dear Mr Smith

Financial Return - year ending 31 December 2004 (FR2004/671)

I refer to the copies of the full report of the Division lodged in the Registry on 22 Jun 2005. The documents have been filed.

As foreshadowed in the recent phone discussion with an officer of the Registry, I note that the full report was presented to the Division's committee of management on 10 June 2005. As you know, s266(1) of the RAO Schedule provides that a reporting unit must present the full report to a general meeting of members within the time specified. If the rules of a reporting unit provide for the matters specified in s266(3), the reporting unit may instead, present the report to a meeting of its committee of management.

In assessing whether a reporting unit's rules provide for those matters the Registry has taken the view that the reference to "members" in s266(3) should not be confined only to "financial members" of a reporting unit. I note that sub-rule 40(c) of the Division's rules provides for a petition to call a meeting to consider the full report but requires that those signing the petition be "financial members".

In coming to this view, the Registry has taken into account the absence of any legislative definition of the term "member". We have also considered the general objects of the RAO Schedule in s5 which include encouraging members' participation in the affairs of their organisation and high standards of financial and other forms of accountability by organisations to members.

I note that the alteration which inserted sub-rule 40(c) in the Division's rules was certified in matter R2003/361 on 5 February 2004.

As there is no decision of any Court on this provision and in the circumstances I am prepared to accept that the Division has on this occasion satisfied its financial reporting obligations. The Division should however amend this provision when next considering alterations to its rules.

As other reporting units of the Division lodge their financial returns in the Registry, I will draw their attention to this matter if relevant and provide them with a copy of this letter for their information.

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

Yours sincerely

A handwritten signature in cursive script that reads "Barry Jenkins".

Barry Jenkins
Deputy Industrial Registrar

5 July 2005