



FAIR WORK
AUSTRALIA

11 June 2010

Mr Barry Disken
Financial Controller, Forestry & Furnishing Products Division
Construction, Forestry, Mining and Energy Union
148-152 Miller Street
WEST MELBOURNE VIC 3003



Dear Mr Disken

Lodgment of Financial Accounts and Statements - Construction, Forestry, Mining and Energy Union, FFPD Division - for year ending 31 December 2007 (FR2007/532)

I refer to the financial accounts and statements which were received by Fair Work Australia on 4 June 2010 for the Forestry and Furnishing Products Division.

The documents have been filed.

Yours sincerely,

Stephen Kellett
Statutory Services Branch
Fair Work Australia

**CERTIFICATE BY SECRETARY OR PRESCRIBED
DESIGNATED OFFICER**

S268 Fair Work (Registered Organisations) Act 2009

I, Michael O'Connor prescribed designated officer, certify that the enclosed documents lodged, consisting of the general purpose financial report of the Construction, Forestry, Mining & Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – National Office for the year ended 31 December 2007.

- are copies of the documents provided to members from 21 April 2010.
- were subsequently presented to a meeting in accordance with section 266, being a meeting of committee of management held on 1 June 2010.



National Secretary
Construction, Forestry, Mining & Energy Union
Forestry, Furnishing, Building Products and Manufacturing Division

Date 2 June 2010



**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND
MANUFACTURING DIVISION -
NATIONAL OFFICE**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007**

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009, the Divisional Executive present their Operating Report on the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – National Office, the Reporting Unit for the financial year ended 31 December 2007.

Principal Activities

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

- Implementation of the decisions of the 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 tribunal.
- Facilitation of communication within and between the Branches including the National Journal and website.
- Pursuing relevant change to the conditions of eligibility rules of the Union, and responding to other unions' rules applications where they impact on membership of 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.
- Involvement in lobbying and negotiations with different levels of Government and key industry organisations around issues of importance to FFPD members.

Operating Result

The operating profit of the Union for the financial year was \$126,672 (2006: operating loss \$354,740). No provision for tax was necessary as the Union is exempt from income tax.

Significant Changes

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

Pursuant to a special committee meeting dated 5 August 2008 it was resolved that the assets and liabilities of the Divisional Branches be transferred to the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division which would henceforth be responsible for all financial matters pertaining to the Divisional Branches. Separate financial reports of the Divisional Branches will no longer be prepared subsequent to 31 December 2008.

Except for the above, no matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.

Rights of Members

Subject to the Union's rules and Section 174 of the Fair Work (Registered Organisations) Act 2009, members of the Union have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Union.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

**OPERATING REPORT
Continued**

Superannuation Officeholders

Jane Calvert is the National Divisional President and Director of the Superannuation Trustee Company:
- Timber Industry Superannuation Scheme Pty Ltd (TISS Pty Ltd).

Alex Millar is the Senior National Divisional Vice President of the Union and Director of the Superannuation Trustee Company:
- Pulp & Paper Workers' Superannuation Fund Pty Ltd

Craig Smith is the National Divisional Vice President of the Union and Director of the Superannuation Trustee Company:
- Timber Industry Superannuation Scheme Pty Ltd (TISS Pty Ltd) until he resigned on the 1 March 2007.
- FIRST Superannuation Pty Ltd

Michael O'Connor is the National Divisional Secretary from of the Union and Director of the Superannuation Trustee Company:
- Timber Industry Superannuation Scheme (TISS Pty Ltd).
- FIRST Superannuation Pty Ltd

Tim Woods is the Assistant National Divisional Secretary of the Union and Director of the Superannuation Trustee Company:
- Pulp and Paper Workers' Superannuation Fund Pty Ltd. until he resigned on 19 March 2008.

David Kirner is the National Divisional Trustee of the Union, and Director of the Superannuation Trustee Company:
- Timber Industry Superannuation Scheme Pty Ltd (TISS Pty Ltd)
- FIRST Superannuation Pty Ltd
- BIRST

Frank Vari is the National Divisional Trustee of the Union and Director of the Superannuation Trustee Company of FIRST Superannuation Pty Ltd.

Paul Ferreira is the National Divisional Executive Member of the Union and Director of the Superannuation Trustee Company:
- FIRST Superannuation Pty Ltd until he resigned on 30 May 2008.

Scott McLean is the National Divisional Executive Member of the Union and Director of the Superannuation Trustee Company:
- Timber Industry Superannuation Scheme Pty Ltd (TISS Pty Ltd)

No other officer or member of the Union acts:

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

As of 1 July 2008, the Timber Industry Superannuation Scheme and Pulp and Paper Workers' Superannuation Fund merged with the FIRST Superannuation Fund to form a combined entity known as FIRST Superannuation Fund.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
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NATIONAL OFFICE**

**OPERATING REPORT
Continued**

Other Prescribed Information

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009:

- (a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Union under section 244 of the Fair Work (Registered Organisations) Act 2009 was 18,957.
- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 10.
- (c) The names of each person who have been a member of the Divisional Executive of the Union at any time during the reporting period, and the period for which he or she held such a position were;

Name	Position
Jane Calvert	National Divisional President
Alex Millar	Senior National Divisional Vice President
Craig Smith	National Divisional Vice President
Michael O'Connor	National Divisional
Leo Skourdourmbis	Assistant National Divisional Secretary
Tim Woods	Assistant National Divisional Secretary (resigned 19 March 2008)
Brad Coates	National Divisional Trustee
David Kirner	National Divisional Trustee
Kenneth Miller	National Divisional Trustee
Frank Vari	National Divisional Trustee
Vincent Breen	National Divisional Executive Member
Paul Ferreira	National Divisional Executive Member (resigned 30 May 2008)
Scott McLean	National Divisional Executive Member

Divisional Executive Members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Signed in accordance with a resolution of the Divisional Executive:



Jane Calvert – National Divisional President



Michael O'Connor – National Divisional Secretary

Melbourne 23 March 2010

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 \$	2006 \$
Revenue	3	2,214,350	1,493,643
Administration expense	4	(675,472)	(447,002)
Affiliation fees, compulsory levies and sustentation fees	4	(162,116)	(144,421)
Depreciation expense	4	(35,907)	(15,193)
Employee benefits expense	4	(889,241)	(942,761)
Loss on sale of fixed assets		-	(28,820)
Motor vehicle expense		(31,472)	(11,673)
Occupancy expense		(59,228)	(70,626)
Telephone and facsimile expense		(53,929)	(33,223)
Travel expense		(173,106)	(142,336)
Other expenses		(7,207)	(12,328)
Profit/(loss) before income tax expense		<u>126,672</u>	<u>(354,740)</u>
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Net profit/(loss) attributable to members		<u>126,672</u>	<u>(354,740)</u>

The accompanying notes form part of these financial statements

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

**BALANCE SHEET
AS AT 31 DECEMBER 2007**

	Note	2007 \$	2006 \$
CURRENT ASSETS			
Cash and cash equivalents	5	170,324	129,887
Trade and other receivables	6	856,376	685,679
Prepayments	7	<u>25,085</u>	<u>46,502</u>
TOTAL CURRENT ASSETS		<u>1,051,785</u>	<u>862,068</u>
NON CURRENT ASSETS			
Plant and equipment	8	<u>143,810</u>	<u>174,369</u>
TOTAL NON CURRENT ASSETS		<u>143,810</u>	<u>174,369</u>
TOTAL ASSETS		<u>1,195,595</u>	<u>1,036,437</u>
CURRENT LIABILITIES			
Trade and other payables	9	584,149	622,834
Short term provisions	10	<u>200,019</u>	<u>128,848</u>
TOTAL CURRENT LIABILITIES		<u>784,168</u>	<u>751,682</u>
TOTAL LIABILITIES		<u>784,168</u>	<u>751,682</u>
NET ASSETS		<u>411,427</u>	<u>284,755</u>
EQUITY			
Retained earnings		<u>411,427</u>	<u>284,755</u>
TOTAL EQUITY		<u>411,427</u>	<u>284,755</u>

The accompanying notes form part of these financial statements

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Retained earnings \$	Total \$
Balance at 1 January 2006	639,495	639,495
Loss attributable to members	<u>(354,740)</u>	<u>(354,740)</u>
Balance at 31 December 2006	284,755	284,755
Profit attributable to members	<u>126,672</u>	<u>126,672</u>
Balance at 31 December 2007	<u>411,427</u>	<u>411,427</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 \$	2006 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Sustentation fees & levies		756,954	1,157,435
Interest received		1,399	6,717
Other income received		1,285,301	7,427
Payments to suppliers and employees		<u>(1,997,869)</u>	<u>(1,255,752)</u>
Net cash provided by / (used in) operating activities	16(b)	<u>45,785</u>	<u>(84,173)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant & equipment		<u>(5,348)</u>	<u>(159,502)</u>
Net cash used by investing activities		<u>(5,348)</u>	<u>(159,502)</u>
Net increase/(decrease) in cash held		40,437	(243,675)
Cash at beginning of year		<u>129,887</u>	<u>373,562</u>
Cash at end of year	16(a)	<u>170,324</u>	<u>129,887</u>

The accompanying notes form part of these financial statements

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY
CASH BASIS - FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 \$	2006 \$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc	-	-
Interest received on recovered money	-	-
	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:-		
- 12 months or less	-	-
- greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:-		
- the reporting unit	-	-
- other entity	-	-
Deductions of fees or reimbursements of expenses	-	-
Payments to workers in respect of recovered money	-	-
	-	-
Total payments	-	-
Cash assets in respect of recovered money at end of year	-	-

The accompanying notes form part of these financial statements

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

The financial report of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – National Office complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a. 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.

b. Revenue

Revenue from membership is recognised on a receipt basis.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

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

c. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

d. Impairment of Assets

At each reporting date, the Union review the carrying value of the tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

e. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

f. Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Divisional Executive to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight line basis or a reducing balance basis over their estimated useful lives to the Union commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Furniture, fittings and equipment	5.0% to 47.90%
Motor vehicles	22.5%

g. Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Union to an employee superannuation fund and are charged as expenses when incurred.

h. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below:

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

h. Financial Instruments continued

Financial Assets

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at nominal value.

Held-to-maturity investments

These investments have fixed maturities, and it is the Union's intention to hold these investments to maturity. Any held-to-maturity investments held by the Union are stated at a current value based on either amortising or revaluing the investment on a straight line basis to its face value at maturity. Any adjustment is debited or credited to interest.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Union assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

i. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for GST component of investing and financing activities, which are disclosed as operating cash flows.

j. Grants

The Union receives grant funding from various sources for varying purposes. All funds received are isolated in the Balance Sheet, from which all expenditures are made. Given that the grant projects generally have an operating period that differs from the financial year-end, amounts are carried forward in the Balance Sheet:-

- As an asset where expenditures exceed funding received to the balance date and where such expenditures are recoverable under the Terms of the Grant
- As a liability where funding received exceeds expenditures to the balance date and the grant is ongoing.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
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NATIONAL OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

k. Comparative Figures

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

l. Critical Accounting Estimates and Judgements

The Divisional Executive evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the union.

Key Estimates

The Divisional Executive members assess impairment at each reporting date by evaluating conditions specific to the union that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculation performed in assessing recoverable amounts incorporates a number of key estimates.

Key Judgements

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities.

m Recoverability of receivables

The Divisional Executive of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division - National Office acknowledges that included in the accounts of the National Office are amounts due from certain Divisional branches that are in a net asset deficiency position.

Pursuant to the authority given to the Divisional Executive under the Union's Rules, the Divisional Executive hereby confirms that all Divisional Branches of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division have joint and several responsibility for any debts owing by the Divisional Branches to the National Office. The Divisional Executive are accordingly of the opinion that there is no impairment of receivables at 31 December 2007.

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR FAIR WORK AUSTRALIA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of Schedule 1 which read as follows: -

1. A member of a reporting unit, or the General Manager of Fair Work Australia, 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 specify the period within which, and the manner in which, the information is to be made available. The period must not be less than fourteen days after the application is given to the reporting unit.
3. A reporting unit must comply with an application under subsection (1).

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
NOTE 3: REVENUE		
Operating activities		
Sustentation fees from Branches:		
- CFMEU FFPD Branches:		
New South Wales	140,118	144,075
South Australia	154,673	146,948
Victoria	174,412	189,047
Tasmania	44,910	44,144
Western Australia	18,575	21,436
- CFMEU FFTS Branches:		
Queensland	14,802	21,063
Victoria	201,106	261,633
-CFMEU Pulp and Paper Workers' Branch	56,292	55,358
Trainee organisers	186,000	54,000
Directors fees	281,110	270,255
Consultancy fees	121,955	11,637
Coordinator fees	514,103	-
Department of Primary Industry	62,500	-
Training Income	56,500	-
Branch Levy to CFMEU FFPD National Office		
- CFMEU FFPD Branches		
New South Wales	16,035	29,091
South Australia	12,235	21,818
Western Australia	1,500	1,818
Victoria	15,175	27,273
Tasmania	4,390	7,273
- CFMEU FFTS Branches		
Queensland	1,235	1,818
Victoria	48,750	69,091
- CFMEU Pulp and Paper Workers' Branch	13,040	23,636
Interest received	1,399	6,717
TISS contract grants received	-	78,085
Other income	73,535	7,427
	2,214,350	1,493,643
Total revenue	2,214,350	1,493,643

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
NOTE 4: PROFIT FOR YEAR		
Profit before income tax expense has been determined after:		
EXPENSES		
Administration expense		
Advertising	-	1,102
Bank charges	489	1,048
Campaign expenses	177,160	34,821
Child Labour Support Campaign	5,020	2,060
Computer expenses	33,256	39,576
Consultancy expenses	11,365	625
Donations:		
- Courtney Noble 2006 Bangladesh Missions Trip	-	500
- Paul Lennon ALP Candidate for Franklin Tasmania	-	10,000
- Brad Coates ALP Candidate for Mount Gambier South Australia	-	8,000
- CFMEU Support the 107 Special Effort	600	-
- ALP Couper Electorate	1,000	-
- ALP Western Metro Region: Martin Pakula	395	-
- Christine Maxfield ALP Candidate for Gippsland	5,148	-
- Sid Sidebottom ALP Candidate for Braddon	12,000	-
- CFMEU National Office Sydney: Progressive Ideas Network	10,000	-
Insurance	14,211	8,371
Legal expenses	247,439	286,490
Meeting expenses	-	273
NAC fees	75,000	-
Office expenses	-	9,948
Postage and freight	5,096	4,557
Printing and stationery	10,394	9,863
Promotional material	41,891	7,008
Publications and subscriptions	6,734	2,744
Repairs and maintenance	1,383	736
Staff expenses	3,084	13,256
Sundry expenses	8,307	514
Remuneration of auditor		
- audit	5,500	5,510
	675,472	447,002
Affiliation fees, compulsory levies and Sustentation fees		
Affiliation fees:		
- Australian Labour Party	27,978	15,535
- IFBWW	-	1,185
Sustentation fees:		
- CFMEU National Office	134,138	127,701
	162,116	144,421

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
NOTE 4: PROFIT FOR YEAR continued		
Depreciation expense		
Motor vehicles	25,206	6,278
Furniture, fittings and equipment	10,701	8,915
	35,907	15,193
Employee benefit expense		
Salaries		
- elected officials	119,570	127,538
- employees	558,107	250,088
Superannuation		
- elected officials	14,692	18,437
- employees	68,598	35,069
Provision for annual leave		
- elected officials	12,665	(3,565)
- employees	26,762	(6,301)
Provision for long service leave		
- elected officials	3,012	5,821
- employees	23,594	21,769
Provision for sick leave		
- elected officials	1,148	46,800
- employees	3,990	21,438
Termination payments:		
- elected officials	-	336,740
- employees	-	29,533
Fringe benefits tax	15,431	6,810
Payroll tax	40,566	45,751
Workcover	1,106	6,833
	889,241	942,761

NOTE 5: CASH AND CASH EQUIVALENTS

Cash on hand	-	1,450
Cash at bank	170,324	128,437
	170,324	129,887

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
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NATIONAL OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
NOTE 6: TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables:		
-CFMEU FFPD Branches Sustentation Fees:		
New South Wales	91,113	91,563
South Australia	13,982	38,779
Tasmania	64,468	38,057
Victoria	13,733	46,231
Western Australia	110,976	136,610
-CFMEU FFTS Branches Sustentation Fees:		
Queensland	-	3,809
Victoria	42,516	50,202
-Other	164,636	144,917
Sundry debtors:		
- CFMEU FFPD Branches Loans and Other:		
New South Wales – Loan	100,000	100,000
New South Wales – Other	37,957	-
PPW Melbourne Sub Branch – Other	73	-
Pulp & Paper Workers' Branch – Other	8,059	-
South Australia – Other	39,448	-
Tasmania – Other	49,537	-
Victoria – Other	70,682	-
Western Australia – Other	14,085	-
Western Australia – Loan	35,111	35,511
	856,376	685,679
 NOTE 7: OTHER CURRENT ASSETS		
CURRENT		
Prepayments	25,085	46,502
 NOTE 8: PLANT AND EQUIPMENT		
Furniture, fittings and equipment – at cost	77,478	72,132
Less accumulated depreciation	(43,580)	(32,880)
	33,898	39,252
Motor vehicles – at cost	140,620	140,620
Less accumulated depreciation	(30,708)	(5,503)
	109,912	135,117
 TOTAL PLANT AND EQUIPMENT	143,810	174,369

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

NOTE 8: PROPERTY, PLANT AND EQUIPMENT continued

Movements In Carrying Amounts

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

	Motor Vehicles	Furniture Fittings & Equipment	TOTAL
	\$	\$	\$
Balance at start of year	135,117	39,252	174,369
Additions	-	5,348	5,348
Depreciation expense	<u>(25,205)</u>	<u>(10,702)</u>	<u>(35,907)</u>
Balance at end of year	<u>109,912</u>	<u>33,898</u>	<u>143,810</u>
		2007	2006
		\$	\$

NOTE 9: TRADE AND OTHER PAYABLES

Trade creditors & accruals:

- CFMEU FFPD Branches:			
New South Wales		9,841	9,841
South Australia		6,293	4,086
Victoria		25,191	5,011
Tasmania		53	5,326
- CFMEU Pulp & Paper Workers' Branch		40,692	16,525
- CFMEU Pulp & Paper Workers' Melbourne Sub-Branch		409	-
- CFMEU National Office		36,888	145,506
- Legal fees		-	146,903
- Other		293,572	201,778
Other payables			
- CFMEU Pulp & Paper Workers' Branch		102,129	102,129
GST liability		<u>69,081</u>	<u>(14,271)</u>
		<u>584,149</u>	<u>622,834</u>

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
NOTE 10: PROVISIONS		
CURRENT		
Employee benefits:		
Annual leave		
- elected officials	17,078	4,413
- employees	44,618	17,856
Long service leave		
- elected officials	11,101	8,089
- employees	53,846	30,252
Sick leave		
- elected officials	47,948	46,800
- employees	<u>25,428</u>	<u>21,438</u>
Total Current Provisions	<u>200,019</u>	<u>128,848</u>
Number of Employees at year end	<u>10</u>	<u>10</u>

**NOTE 11: KEY MANAGEMENT PERSONNEL COMPENSATION
AND RELATED PARTY TRANSACTIONS**

The names of each person who have been a member of the Committee of Management of the Union at any time during the reporting period, and the period for which he or she held such a position were;

Jane Calvert	National Divisional President
Alex Millar	Senior National Divisional Vice President
Craig Smith	National Divisional Vice President
Michael O'Connor	National Divisional Secretary
Leo Skourdourmbis	Assistant National Divisional Secretary
Tim Woods	Assistant National Divisional Secretary (resigned 19 March 2008)
Brad Coates	National Divisional Trustee
David Kirner	National Divisional Trustee
Kenneth Miller	National Divisional Trustee
Frank Vari	National Divisional Trustee
Vincent Breen	National Divisional Executive Member
Paul Ferreira	National Divisional Executive Member (resigned 30 May 2008)
Scott McLean	National Divisional Executive Member

- (a) The aggregate amount of remuneration paid to elected officials during the financial year for salaries was \$119,570 (127,538). The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was \$14,692 (18,437).
- (b) There was no remuneration paid to other persons on the committee of management.
- (c) There were no other transactions between the officers of the Union other than those relating to their membership of the Union and reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE

Pursuant to a special committee meeting dated 5 August 2008 it was resolved that the assets and liabilities of the CFMEU FFPD Divisional Branches be transferred to the Reporting Unit which would be responsible henceforth for all financial matters pertaining to the Divisional Branches. Separate financial reports of the CFMEU FFPD Divisional Branches will no longer be prepared subsequent to 31 December 2008.

NOTE 13: CONTINGENT LIABILITIES

The CFMEU FFPD National Office is committed to providing the necessary financial assistance to its Divisional Branches to ensure that its Branches are able to pay their debts as and when they fall due. As at 31 December 2007, the New South Wales, South Australia, Western Australia and Tasmania Branches are in a cumulative net asset deficiency amounting to \$769,012. Also included in the assets of the Victorian and Pulp and Papers Workers' Branches are receivables amounting to \$2,834,817 for which the auditors have not been able to obtain the necessary information to assess for recoverability.

Pursuant to the authority given to the Divisional Executive under the Union's Rules, the CFMEU FFPD National Office and the CFMEU FFPD Divisional Branches have joint and several responsibilities for the liabilities of the CFMEU FFPD Divisional Branches.

Liabilities incurred on behalf of CFMEU FFPD Divisional Branches by the National Office are not recognised in the CFMEU FFPD National Office financial statements as it is not probable that the CFMEU FFPD National Office will have to meet those liabilities. A full assessment of the CFMEU Divisional Branches' net assets as at 31 December 2007 has been performed and a conclusion reached that it is not probable that the National Office will have to meet these obligations.

NOTE 14: ECONOMIC DEPENDENCE

The principle source of income for the Union is from membership fees. The Union is economically dependent upon the membership levels and fees.

NOTE 15: SEGMENT REPORTING

The Union operates predominantly in one industry, being the Forestry, Furnishing, Building Products and Manufacturing sector.

2007	2006
\$	\$

NOTE 16: CASH FLOW INFORMATION

a. Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash on hand	-	1,450
Cash at bank	170,324	128,437
	170,324	129,887

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
NOTE 16: CASH FLOW INFORMATION continued		
b. Reconciliation of Net Cash provided by (used in) Operating Activities to Net Profit / (Loss)		
Net profit / (loss)	126,672	(354,740)
Non Cash Items		
Depreciation	35,907	15,193
Loss on sale of fixed assets	-	28,820
Provision for employee entitlements	71,171	85,963
Changes in Assets and Liabilities		
(Increase)/decrease in receivables	(170,697)	(276,529)
(Increase)/decrease in prepayments	21,417	(46,502)
Increase/(decrease) in payables	<u>(38,685)</u>	<u>463,622</u>
Cash flows provided by / (used in) operations	<u>45,785</u>	<u>(84,173)</u>

c. Credit Stand-by Arrangement and Loan Facilities

There are no credit or loan facilities.

d. There were no non-cash financing or investing activities during the period.

NOTE 17: FINANCIAL INSTRUMENTS

a. Financial Risk Management

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, accounts receivable and payable.

The Union does not have any derivative instruments at 31 December 2007.

i. Treasury Risk management

A finance committee consisting of senior management meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii. Financial Risks

The main risks the Union is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Foreign Currency Risk

The Union is not exposed to fluctuations in foreign currencies.

Liquidity Risk

The association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

NOTE 17: FINANCIAL INSTRUMENTS continued

Credit Risk

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

The Union does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the association.

Price Risk

The Union is not exposed to any material commodity price risk.

b. Interest Rate Risk

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

	Note	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturing			TOTAL \$
				Within 1 Year \$	1 to 5 Years \$	Non- interest bearing \$	
2007							
Financial Assets							
Cash at bank	5	0.64%	170,324	-	-	-	170,324
Receivables	6	N/a	-	-	-	856,376	856,376
Total Financial Assets			170,324	-	-	856,376	1,026,700
Financial Liabilities							
Payables	9		-	-	-	584,149	584,149
Total Financial Liabilities			-	-	-	584,149	584,149
Net Financial Assets/(Liabilities)			170,324	-	-	272,227	442,551
2006							
Financial Assets							
Cash at bank	5	0.45%	128,437	-	-	1,450	129,887
Receivables	6	N/a	-	-	-	685,679	685,679
Total Financial Assets			128,437	-	-	687,129	815,566
Financial Liabilities							
Payables	9	N/a	-	-	-	622,834	622,834
Total Financial Liabilities			-	-	-	622,834	622,834
Net Financial Assets/(Liabilities)			128,437	-	-	64,295	192,732

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

NOTE 17: FINANCIAL INSTRUMENTS continued

c. Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

Financial assets where the carrying amount exceeds net fair values have not been written down as the Union intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

NOTE 18: ACCOUNTING POLICY AMENDMENTS

The following Australian Accounting Standards issued or amended may be applicable to the Branch but not yet effective and have not been adopted in the preparation of the financial statements at the reporting date.

AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date for Sub-Branch
AASB 2005-10: Amendments to Australian Accounting Standards	AASB 1: First time adoption of AIFRS AASB 4: Insurance Contracts AASB 101: Presentation of Financial Statements AASB 114: Segment Reporting AASB 117: Leases AASB 1023: General Insurance Contracts AASB 1038: Life Insurance Contracts AASB 139: Financial Instruments: Recognition and Measurement	The disclosure requirements of AASB 132: Financial Instruments: Disclosure and Presentation have been replaced due to the issuing of AASB 7: Financial Instruments: Disclosures in August 2005. These amendments will involve changes to financial instrument disclosure within the financial report. However, there will be no direct impact on amounts included in the financial report as it is a disclosure standard.	01.01.2007	01.07.2007
AASB 7: Financial Instruments: Disclosures	AASB 132: Financial Instruments: Disclosure and Presentation	As above.	01.01.2007	01.07.2007

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

NOTE 19: ENTITY DETAILS

The registered office is:
148-152 Miller Street
West Melbourne
Victoria
3003

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

DIVISIONAL EXECUTIVE CERTIFICATE

On 23 March 2010 the Divisional Executive of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division ("Union/Reporting Unit") passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2007:

The Divisional Executive 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 General Manager of Fair Work Australia;
- (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; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Divisional Executive 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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; 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 the General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager; and
 - (vi) there has been compliance with any order for inspection of financial reports made by the Tribunal under section 273 of the Fair Work (Registered Organisations) Act 2009.


**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

**DIVISIONAL EXECUTIVE CERTIFICATE
continued**

- (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 General Manager; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the Fair Work (Registered Organisations) Act 2009 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.



Jane Calvert – National Divisional President



Michael O'Connor, National Divisional Secretary

Melbourne 23 March 2010

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION – NATIONAL OFFICE

We have audited the accompanying financial report of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division (the reporting unit), which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the committee of management's declaration of the reporting unit during the financial year.

Committee of management's responsibility for the financial report

The reporting unit's committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT continued

**TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Auditor's opinion

In our opinion the financial report of the reporting unit:

- (a) is in accordance with the provisions of the Fair Work (Registered Organisations) Act 2009, other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, including:
 - (i) presenting fairly the reporting unit's financial position as at 31 December 2007 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and International Financial Reporting Standards as disclosed in Note 1.

- (b) properly and fairly report all information in relation to recovery of wages activity required by the reporting guidelines of the General Manager of Fair Work Australia, including:
 - (i) any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
 - (ii) any donations or other contributions deducted from recovered money.

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

L.S. Wong

L.S. WONG
Partner,
Member of the Institute of Chartered Accountants in Australia and
holder of a current public practice certificate

Melbourne: 26 March 2010

COMPILATION REPORT

TO THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION – NATIONAL OFFICE

Scope

On the basis of the information provided by the Divisional Executive of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – National Office we have compiled, in accordance with APS 9: Statement of Compilation of Financial Reports the special purpose financial report comprising the Detailed Profit and Loss Statement of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – National Office for the year ended 31 December 2007 as set out on page 29 to 32.

The specific purpose for which the special purpose financial report has been prepared is to provide financial information to the Divisional Executive. No Accounting Standards and other mandatory professional reporting requirements have been adopted in the preparation of the special purpose financial report.

The Divisional Executive is solely responsible for the information contained in the special purpose financial report and has determined that the accounting policies used are consistent and are appropriate to satisfy the needs of the Divisional Executive.

Our procedures use accounting expertise to collect, classify and summarise the financial information which the Divisional Executive provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the reporting unit, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the reporting unit and its members and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

MSI RaggWeir

MSI RAGG WEIR
Chartered Accountants

Melbourne: 26 March 2010

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

**DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
INCOME		
Sustentation fees from Branches:		
- CFMEU FFPD Branches		
New South Wales	140,118	144,075
South Australia	154,673	146,948
Victoria	174,412	189,047
Tasmania	44,910	44,144
Western Australia	18,575	21,436
- CFMEU FFTS Branches		
Queensland	14,802	21,063
Victoria	201,106	261,633
- CFMEU Pulp and Paper Workers' Branch	56,292	55,358
Branch levy to CFMEU FFPD National Office		
- CFMEU FFPD Branches		
New South Wales	16,035	29,091
South Australia	12,235	21,818
Western Australia	1,500	1,818
Victoria	15,175	27,273
Tasmania	4,390	7,273
- CFMEU FFTS Branches		
Queensland	1,235	1,818
Victoria	48,750	69,091
- CFMEU Pulp and Paper Workers' Branch	13,040	23,636
Consultancy fees	121,955	11,637
Coordinator fees	514,103	-
Department of Primary Industry	62,500	-
Directors fees	281,110	270,255
Donations	-	1,818
Interest received	1,399	6,717
Sponsorship	52,914	2,682
Reimbursement of Trainee Organisers	186,000	54,000
Rent and relocation reimbursements	127	351
Employee contribution FBT	5,047	2,375
Surplus WIMDOI Conference	-	201
Sundry income	15,447	-
Training income	56,500	-
TOTAL INCOME	<u>2,214,350</u>	<u>1,415,558</u>

This statement should be read in conjunction with the attached compilation report on page 28

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

**DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
EXPENDITURE		
Advertising	-	1,102
Affiliation fees		
- Australian Labour Party	27,978	15,535
- CFMEU National Office	134,138	127,701
- IFBWW	-	1,185
Auditors Remuneration	5,500	4,760
Bank charges	489	1,048
Campaigns	177,160	34,821
Child Labour Support Campaign	5,020	2,060
Computer expenses	33,256	39,436
Conference & travelling expenses	173,106	139,759
Consultancy expenses	11,365	625
Depreciation	35,907	15,193
Divisional executive expense	3,613	-
Donations		
- Courtney Noble 2006 Bangladesh Missions Trip	-	500
- Paul Lennon ALP Candidate for Franklin Tasmania	-	10,000
- Brad Coates ALP Candidate for Mount Gambier South Australia	-	8,000
- CFMEU Support the 107 Special Effort	600	-
- ALP Cowper Electorate	1,000	-
- ALP Western Metro Region: Martin Pakula	395	-
- Christine Maxfield: ALP Candidate for Gippsland	5,148	-
- Sid Sidebottom: ALP Candidate for Braddon	12,000	-
- CFMEU National Office Sydney: Progressive Ideas Network	10,000	-
Fringe benefits tax	15,431	6,810
Insurance	14,211	8,371
Legal fees – Otway	218,418	162,422
Legal fees - Other	29,021	124,068
Light & power	265	5,236
Loss on sale of fixed asset	-	28,820
Meeting expenses	4,978	273
Motor vehicle expenses	31,472	9,279
NAC fees	75,000	-
Office expenses	-	9,948
Payroll tax	40,566	43,834
Postage and freight	5,096	4,499
Printing and stationery	10,394	9,034
Prior year expense	-	12,328
Promotional items	41,891	6,878

This statement should be read in conjunction with the attached compilation report on page 28

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NATIONAL OFFICE**

**DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
Provision for annual leave		(9,866)
- elected officials	12,665	
- employees	26,762	
Provision for long service leave		27,590
- elected officials	3,012	
- employees	23,594	
Provision for sick leave		68,238
- elected officials	1,147	
- employees	3,990	
Publications and subscriptions	6,734	2,744
Relocation expense	-	17,874
Rent and outgoings	57,580	20,674
Repairs, maintenance and outgoings	1,383	736
Salaries and wages:		
- elected officials	119,570	127,538
- employees	558,107	214,027
Sundry expenses	8,307	514
Superannuation contributions:		
- elected officials	14,692	18,437
- employees	68,598	30,697
Termination payments:		
- Officials	-	336,740
- Employees	-	29,533
Training & education	3,084	13,256
Telephone and facsimile	53,929	31,689
Workcover	1,106	6,352
	<hr/>	<hr/>
TOTAL EXPENDITURE	2,087,678	1,770,298
	<hr/>	<hr/>
NET PROFIT/ (LOSS) FOR YEAR	126,672	(354,740)

This statement should be read in conjunction with the attached compilation report on page 28

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
TISS GRANT**

**DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
INCOME		
Grant funds received	-	78,085
TOTAL INCOME	-	78,085
EXPENDITURE		
Audit and accountancy fees	-	750
Computer expenses	-	140
Conference expenses	-	214
Light and power	-	234
Motor vehicle expenses	-	2,394
Payroll tax	-	1,917
Postage	-	58
Printing and stationery	-	829
Promotional expenses	-	130
Rent	-	5,360
Serviced office	-	21,248
Salaries	-	36,061
Superannuation	-	4,372
Telephone expenses	-	1,534
Travel expenses	-	2,363
Workcover	-	481
TOTAL EXPENDITURE	-	78,085
Net Profit for the year	-	-

This statement should be read in conjunction with the attached compilation report on page 28.



CONSTRUCTION
FORESTRY
MINING
ENERGY
UNION

FORESTRY &
FURNISHING
PRODUCTS
DIVISION

National Office
ABN 91 691 430 210

148 - 152 Miller Street
WEST MELBOURNE
VICTORIA 3003

PH: (03) 9274 9200
FAX: (03) 9274 9284

Freecall: 1800 060 556

Email: admin@cfmeuffpd.org

23rd December 2009
Stephen Kellett
Statutory Services Branch
AIR
L 8, Terrace Towers
80 Williams St
East Sydney
NSW 2011
By email: stephen.kellett@airc.gov.au

Dear Stephen,

Lodgement of Financial Statements & Accounts for the years ended 31 December 2007 and 31 December 2008, FFPD Division & Branches & Sub Branches; Fair Work (Registered Organisations) Act 2009

As you are aware these reports have been delayed because of the major organisational restructure we have undertaken. We are still finalising the reports but here is an update on progress.

2007

In relation to the following entities:

- FFPD National Office; FFPD Branches of NSW, Vic Forestry, Sth Australian, Tasmanian, Western Australian and PPW; PPW Sub Branches of Maryvale, Melbourne, Millicent, Nowra, Sydney, Burnie, Boyer, Wesley Vale and Tasmania

These reports are well advanced and we expect to be able to lodge them in March 2010.

2008

In relation to the following entities:

- FFPD National Office; FFPD Branches of NSW, Vic Forestry, Sth Australian, Tasmanian, Western Australian and PPW; PPW Sub Branches of Maryvale, Melbourne, Millicent, Nowra and Sydney.

We expect to be able to lodge these reports in June 2010.

We will keep you informed of our progress.

In the meantime please contact me if you need further information or wish to discuss this matter.

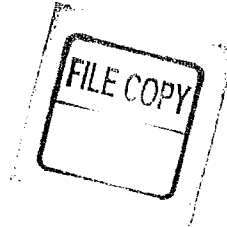
Sincerely

Jane Calvert
CFMEU FFPD
National President
(03) 9274 9200
[email jcalvert@cfmeuffpd.org](mailto:jcalvert@cfmeuffpd.org)



Fair Work
Australia

Mr Michael O'Connor
National Secretary, FFPD Division
Construction, Forestry, Mining and Energy Union
148-152 Miller Street
WEST MELBOURNE VIC 3003



Dear Mr O'Connor,

**Lodgment of outstanding Financial Statements and Accounts – FFPD Division and
Branches - Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule) –
for years ended 31 December 2007 and 31 December 2008**

I write to seek your formal advice in relation to the outstanding financial returns for the above years.

I understand from a conversation on the telephone in May with Mr Barry Disken that extended delays in lodgment were resulting from the Division's auditors' requirements for their preparation.

I would greatly appreciate it if I could be advised in writing of the circumstances affecting the preparation of the reports and broadly when you anticipate being in a position to lodge them.

Yours sincerely,

Stephen Kellett
Statutory Services Branch

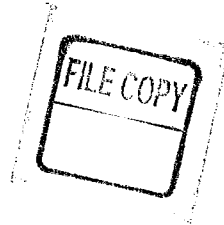
7 July 2009



Australian Government
Australian Industrial Registry

28 May 2009

Mr Barry Disken
Financial Controller, FFPD Division
Construction, Forestry, Mining and Energy Union
PO Box 661
CARLTON SOUTH VIC 3053



Dear Barry,

**Lodgment of outstanding Financial Statements and Accounts for years ended 31 December 2007
and 31 December 2008 – FFPD Division and Branches - Schedule 1 of the Workplace Relations
Act 1996 (RAO Schedule)**

Further to our discussion by telephone today, I write to seek your formal advice on the status of the outstanding financial returns for the above years. If you could set out the circumstances affecting the preparation of the reports and broadly when you anticipate being in a position to lodge them, that would be greatly appreciated.

Yours sincerely,

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

Stephen Kellett
Statutory Services Branch

cc. Michael O'Connor
National Secretary
CFMEU FFPD

PENNA, Belinda

From: Barry Disken [bdisken@cfmeuffpd.org]
Sent: Friday, 21 November 2008 5:55 PM
To: PENNA, Belinda
Subject: Outstanding Financial Reports

Attachments: img-Y211749-0001.pdf



img-Y211749-0001.
pdf (50 KB)

Belinda,
Copy of fax send on the 11 November 2008.

Regards
BARRY DISKEN
Accountant & Financial Controller
CFMEU - Forestry & Furnishing Products Division

Address:
148-152 Miller Street, West Melbourne VIC 3003
Tel: (03) 9274 9200
Fax: (03) 9274 9284
Email: bdisken@cfmeuffpd.org

www.cfmeu-forestdivision.com.au

CFMEU Forestry & Furnishing Products Division, National Office
Disclaimer:

The information in this e-mail may be confidential and/or legally privileged. It is intended solely for the addressee. Access to this e-mail by anyone else is unauthorised. If you are not the intended recipient, any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on it, is prohibited and may be unlawful.



CONSTRUCTION
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VICTORIA 3003
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FAX: (03) 9274 9284
Email: info@cfmeuforestry.org

ABN 91 691 430 210

Belinda Penna
Australian Industrial Registry

By fax to : (02) 9380 6990

11th November 2008

Dear Belinda,

Re: Construction Forestry Mining & Energy Union – FFPD Divisional Office and Branches for year ending 31 December 2006 & 2007

Thank you for your correspondence of the 21st October 2008 regarding the above matter.

We have previously informed the AIR of the reason for the delay in lodgement and we appreciate your ongoing patience. The Divisional restructure we have undertaken will ensure that these delays are not repeated in future.

In relation to the remaining outstanding 2006 GPFR I can report the following lodgement schedule:

- Melbourne Sub Branch has been lodged;
- Tasmanian Branch & Vic. Forestry Branch by the 14th November 2008;
- National Office by the 12th December 2008.

In relation to the outstanding 2007 GPFR I can report the following lodgement timetable:

- Nowra PPW Sub Branch by the 12th December 2008;
- Maryvale PPW Sub Branch by the 12th December 2008;
- NSW, Vic Forestry, Sth Australian, Tasmanian, Western Australian, PPW Branches and PPW Sub Branches of Melbourne, Millicent, Sydney and Tasmania & Divisional reports by the end of the 2008 calendar year, although if we run out of time for the requisite meetings, these reports may not be lodged until early 2009.

We will update you on progress on the 14th December 2008.

Please contact Jane Calvert, Divisional President, CFMEU FFPD on (03) 92749200 or jcalvert@cfmeuforestry.org if you need to discuss this further.

Regards

Michael O'Connor
National Secretary
CFMEU FFPD
c/c A. Millar & PPW Sub Branch Secretaries, D. Kirner, S. McLean, J. Calvert, C. Smith, B. Disken



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 Michael O'Connor
National Secretary
CFMEU FFPD
148-152 Miller Street
WEST MELBOURNE VIC 3003

Dear Mr O'Connor

**Outstanding Financial Statements and Accounts for the FFPD Divisional Office
and Branches for the year ending 31 December 2006**

I refer to your correspondence dated 1 August 2008, providing advice about the progress towards lodgement of outstanding financial statements and accounts for various reporting units of the Forestry & Furnishing Products Division (copy attached).

To date, the financial statements and accounts for the following reporting units remain outstanding for the year ending 31 December 2006:

- FFPD Divisional National Office
- Victorian FFPD Branch
- Tasmanian FFPD Branch

Your most recent correspondence dated 1 August 2008 advised that the lodgement of these reports was scheduled to be completed prior to the end of September 2008.

Could you please advise what the current status of these overdue financial documents is, and when lodgement can be expected in the Registry?

I note that your letter also advised progress regarding the year ending 31 December 2007 returns, and that these are also now overdue to be lodged. Any information you can provide regarding the progress of those returns would also be appreciated.

If you would like to discuss this letter please contact me on 02 8374 6618.

Yours sincerely,

Belinda Penna

Belinda Penna
For Deputy Industrial Registrar

21 October 2008



CONSTRUCTION
FORESTRY
MINING
ENERGY
UNION

FORESTRY &
FURNISHING
PRODUCTS
DIVISION

National Office
148 - 152 Miller Street
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VICTORIA 3003
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FAX: (03) 9274 9284
Email: info@cfmeuforestry.org

ABN 91 691 430 210

Mr Steve Teece
Australian Industrial Registry
By email to: Steve.teece@air.gov.au

cc: Mr Barry Jenkins
By fax to : 9655 0401

1st August 2008

Dear Mr Teece,

Re: **Construction Forestry Mining & Energy Union – FFPD Forestry
Furnishing Building Products & Manufacturing Division
Outstanding Financial Documents – Workplace Relations Act 1996**

COPY

Thank you for the recent correspondence to all CFMEU FFPD reporting entities in regard to various outstanding 2007 financial statements.

As discussed with Barry Jenkins, the CFMEU FFPD is undertaking a restructure of the Division to reduce the number of reporting entities from fourteen down to two. The small size of most of our current reporting units has caused considerable administrative difficulty for the reporting units in complying in a timely manner. Since late 2007 the Divisional Office have been largely carrying out the work to enable these requirements to be met, which has meant we can ensure compliance but with some delay.

In relation to the remaining outstanding 2006 GPFR I can report the following lodgement schedule:

- Melbourne Sub Branch, Tasmanian Branch & Vic. Forestry Branch by the 8th August; and
- the Divisional report by the end of September 2008.

In relation to the outstanding 2007 GPFR I can report the following lodgement timetable:

- the Nowra PPW Sub Branch by the end of August;
- the Maryvale PPW Sub Branch by the end of September; and
- the NSW, Vic Forestry, Sth Australian, Tasmanian, Western Australian, PPW Branches and PPW Sub Branches of Melbourne, Millicent, Sydney and Tasmania & Divisional reports by the end of November.

We will update you on progress at the end of September 2008.

Please contact Jane Calvert, Divisional President, CFMEU FFPD on (03) 92749200 or jcalvert@cfmeuforestry.org if you need to discuss this further.

Regards


Michael O'Connor
National Secretary
CFMEU Forestry & Furnishing Products Division

cc: A. Millar, D. Kirner, S. McLean, J. Calvert, C. Smith, B. Disken



Australian Government
Australian Industrial Registry

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

Ref: FR2007/532-[105N-ATAI]

Mr Michael O'Connor
Divisional Secretary
CFMEU - FFPD Forestry, Furnishing, Building Products
and Manufacturing Division
148 - 152 Miller Street
West Melbourne VIC 3003

Dear Mr O'Connor

**Re: Construction, Forestry, Mining and Energy Union-FFPD Forestry, Furnishing, Building Products and Manufacturing Division
Outstanding Financial Documents - *Workplace Relations Act 1996***

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

I note that we have received correspondence from Jane Calvert of your Division advising us of the current status of financial documents for reporting units within the Division for the year ending 31 December 2006 but the Registry has not received advice in relation to the status of outstanding reports for the year ended 31 December 2007.

To date, the Registry has no record of lodgement of the financial reports of the above named reporting unit for the year ended 31 December, 2007.

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

- the general purpose financial report (which includes the Committee of Management Statement);
- the auditor's report; and
- the operating report.

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

Section 268 of the RAO Schedule¹ requires that a copy of the full report be lodged in the Registry within 14 days (or such longer period a Registrar allows) after the full report is presented to a general meeting of members (or to a committee of management meeting if the rules make provision consistent with s266(3)).

Section 266 (1) requires that the full report be presented to the meeting within 6 months of the end of the financial year. Therefore, lodgement of the documents in the Registry was required by **16 July, 2008.**

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

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

¹ Schedule 1 of the Workplace Relations Act 1996

In the absence of lodgement of a copy of the full report, I request you state in writing by **12 August, 2008**:

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

The full report when lodged must be accompanied by a Designated Officer's Certificate certifying that the documents lodged are copies of the documents provided to members and presented to the general or committee of management meeting in accordance with s266.

You can access the Commission's website where a new site has been created dealing with:

- RAO Fact sheets - These Fact Sheets explain the requirements of the RAO Schedule - many of them deal with financial reporting matters.
- Financial Reporting Sample Documents - Sample Committee of Management's Statement, Designated Officer's Certificate and checklists for illustrative purposes.
- Registrar's Reporting Guidelines - The GPFR 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 Schedule and RAO Regulations

These documents can be accessed at: <http://www.airc.gov.au/registered/FR/information.htm>.

The Registry strongly encourages your organisation to lodge documents electronically by either:

- Sending an email with the documents attached to: orgs@air.gov.au
- Sending the documents by fax to: (03) 9655 0410

If you wish to discuss this letter, please contact me on (02) 8374 6507. In reply please quote: **FR2007/532**.

Yours sincerely



Steve Teece

E-mail: steve.teece@air.gov.au

24 July 2008



Australian Government
Australian Industrial Registry

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

Ref: FR2007/532-[105N-ATAI]

Mr Michael O'Connor
Divisional Secretary
CFMEU - FFPD Forestry, Furnishing, Building
Products and Manufacturing Division
148 - 152 Miller Street
West Melbourne VIC 3003

Dear Mr O'Connor

Financial Return - year ending 31 December, 2007

Our records show the 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*.

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.

Information on AIRC Website

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

- [RAO Schedule](#)
- [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 requirements of the RAO Schedule - many of them deal with financial reporting matters.

Reporting Unit

Under the provisions of the Registration and Accountability of Organisations Schedule (RAO), Schedule 1 of the *Workplace Relations Act 1996*, 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 use the term "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:

(a) 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

(b) 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 including disclosures related to any recovery of wages activity ; and

(c) Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C) including declarations related to the recovery of wages activity.

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 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).

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.

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6618 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 procedures but we cannot give you legal or accounting advice.

Yours sincerely



For Deputy Industrial Registrar...
21 January 2008

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?	
	Does the statement contain declarations relating to any recovery of wages activity?	
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.

[Add the following if any recovery of wages activity has been undertaken during the financial year]

- (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 organization 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.

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