



**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: FR2005/563**

Mr Leo Skourdoubis  
Branch Secretary  
CFMEU FFPD  
Victorian FFTS Branch  
130 Errol Street  
NORTH MELBOURNE VIC 3051

Dear Mr Skourdoubis

**Financial Return - year ending 31 December, 2005**

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

**Legislation**

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

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

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

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

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

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

## Reporting Unit

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

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

## Industrial Registrar's Guidelines

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

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

## Timeline Planner and Checklist

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

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

## Three Reports

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

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

Financial Statements containing:

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

Notes to the Financial Statements containing:

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

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

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

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

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

### **First Meeting (Committee of Management)**

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

### **The Auditor**

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

### **Informing Your Members**

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

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

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

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

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

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

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

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

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

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

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

## **Lodge full report within 14 days of meeting**

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at [www.airc.gov.au](http://www.airc.gov.au)). When lodging the financial return please quote: **FR2005/563**

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

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

## **Complying with time limits**

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

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

## **Extensions of Time**

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

## **Reduced Reporting Requirements**

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

## **Contact the Registry**

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

## Information on AIRC Website

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

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

Yours sincerely



For Deputy Industrial Registrar  
25 January 2006



**Documents Checklist**

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

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

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

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

Committee Of Management Statement

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

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

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

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

Title of Office held:

Signature:

Date:

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

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



**Certificate of Secretary or other Authorised Officer**<sup>1</sup>

s268 of Schedule 1B *Workplace Relations Act 1996*

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

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

Signature

Date:

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

(a) the secretary; or

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

<sup>2</sup>*Only applicable where a concise report is provided to members*

<sup>3</sup>*Insert whichever is applicable*

TAKING UP THE FIGHT !

CFMEU FFPD

VICTORIAN  
*FFTS Branch*

9 May 2006

Mr. Peter McKerrow  
Assistant Manager  
Australian Industrial Registry  
Level 8, Terrace Towers  
80 Williams Street  
EAST SYDNEY NSW 2011



PRESIDENT  
JOSEPH PATTI

SECRETARY  
LEO SKOURDOUMBIS

ASSISTANT SECRETARY  
FRANK VARI

Dear Mr. McKerrow

**Re: Lodgement of Financial Documents**

Please find attached the financial documents of the CFMEU FFPD - Victorian FFTS Branch for the year ended 31 December 2005.

We trust we have complied with all the requirements of the Registry.

If you have any queries please do not hesitate to contact this office.

Yours faithfully

A handwritten signature in cursive script, appearing to read "Leo Skourdoumbis".

**Leo Skourdoumbis**  
Branch Secretary  
CFMEU - FFPD - Victorian FFTS Branch



130 ERROL STREET,  
NORTH MELBOURNE,  
VICTORIA 3051,  
AUSTRALIA

PHONE:  
(03) 9329 1577

FAX:  
(03) 9328 2228

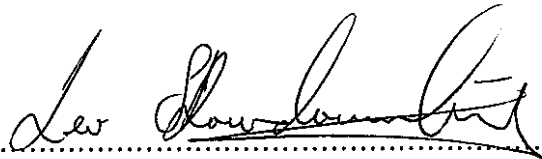
EMAIL:  
ffts@ffts.cfmeu.asn.au

**Construction Forestry Mining and Energy Union  
The Forestry Furniture Building Products & Manufacturing Division  
Victoria FFTS Branch**

**Certificate of Secretary Or Other Authorised Officer**  
(s268 of Schedule 1B Workplace Relations Act 1996)

I, Leo Skourdombis, being the Secretary of the Construction Forestry Mining and Energy Union, Forestry Furniture Building Products & Manufacturing Division Victoria, FFTS Branch certify;

- That the documents lodged herewith are copies of the full report, referred to in Section 268 of the RAO Schedule; and
- That the Full report, was provided to the members on 5<sup>th</sup> April 2006; and
- That the full report was presented to a general meeting of members on the 4<sup>th</sup> day of May 2006 of the reporting unit in accordance with section 266 of the RAO Schedule.



.....  
Leo Skourdombis – Secretary

Dated this 5th day of May 2006

**Construction Forestry Mining and Energy Union  
The Forestry Furniture Building Products & Manufacturing Division  
Victoria FFTS Branch**

**Financial Report**

For the Year Ended 31<sup>st</sup> December 2005

**Contents**

1. Operating Report
2. Statement from Committee of Management
3. Independent Audit Report
4. Statement of Financial Position
5. Statement of Income and Expenditure
6. Notes to and forming part of the Accounts
7. Statement of Cash Flows
8. Asset Depreciation Schedule
9. Statement of Receipts & Payment for Recovery of Wages Activity



**Construction Forestry Mining and Energy Union  
The Forestry Furniture Building Products & Manufacturing Division  
Victoria FFTS Branch**

**OPERATING REPORT**

This Operating Report covers the activities of the CFMEU/FFPD Victoria FFTS branch for the financial year ended 31<sup>st</sup> December 2005, the results of those activities and any significant changes in the nature of those activities during the year.

**1. Principal Activities of the Branch**

The principle activities of the branch are;

- Representing members in workplace and Industry wide negotiations with employers and employer organisations
- Representing members before the Australian Industrial Relations Commissions and other courts and tribunals relevant to workplace issues
- To build, strengthen and maintain a Union that protects and improves the quality of life for workers
- To promote unity and collective action
- Protect and improve workers wages, conditions and rights by achieving the maintenance and improvement of awards and enterprise agreements to improve wages and conditions
- To reform society by working through party political processes to reform the legal and social framework to create social equality
- Reform and improve industry by facilitating the development of structures that enable workers to improve their skills and have them recognised
- Recruitment and provision of members benefits

**2. Membership of the Branch**

The number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members and who are taken to be members of the branch were 8323.

**3. Members Right to Resign**

All members of the Union have the right to resign from the Union in accordance with Rule 11 of the Union rules, and Section 174 of Schedule 1B of the Workplace Relations Act, by providing written notice addressed and delivered to the State Secretary.

#### 4. Members of the Committee of Management

The following persons were members of the Committee of Management;

Mr Leo Skourdoumbis	Secretary
Mr Frank Vari	Assistant Secretary
Mr Joe Patti	President
Mr Cliff Palmer	Vice President
Mr John Pepas	Vice President
Mr Les Ford	Trustee
Mr Bruce Ross	Trustee
Mr Alwin Seneviratne	Trustee
Mr Jeffrey Conner	
Mr James Maine	
Mrs Penny Lintzos	
Mr Greg Wheeler	
Mr Ian Morris	
Mr Damien Cooke	
Mr Jeff Cockerell	
Mr Andrew Vendramini	
Mr Jared Timu	
Mr Kerry Parker	
Ms Janet Mc Callum	

#### 5. Superannuation Trustees

Mr Frank Vari is a member of the Committee of Management and is a Trustee and member of the board of Furniture Industry Retirement Superannuation Trust (FIRST).

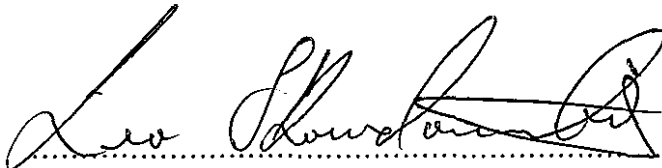
#### 6. Employees of the Branch

As at 31<sup>st</sup> December 2005, the branch had 15 full time employees and 1 casual employee throughout the year.

#### 7. Significant Changes

Matters or circumstances have not arisen during the year or since the end of the year that have significantly affected or may significantly affect the operations of the branch, or the results of the branch or the state of the branch in the subsequent financial years.

Signed in accordance with the resolution by the Committee of Management



Leo Skourdoumbis - Secretary

Dated this 21<sup>st</sup> day of February 2006

**Construction Forestry Mining and Energy Union  
The Forestry Furniture Building Products & Manufacturing Division  
Victoria FFTS Branch**

**Committee of Management Statement**

On 21<sup>st</sup> February 2006 the Committee of Management of the CFMEU / Forestry Furniture Building Products & Manufacturing Division, Victoria FFTS Branch, passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31<sup>st</sup> December 2005:

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

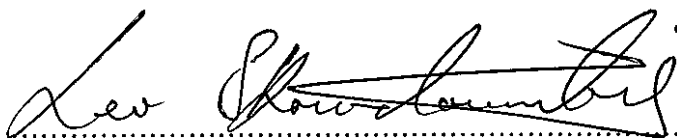
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of 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 kept and maintained in accordance with the rules of the organisation including the rules of the 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) no information has been sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule;
  - (vi) no orders have been made by the Commission under section 273 of the RAO Schedule during the period.
- (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

**Construction Forestry Mining and Energy Union  
The Forestry Furniture Building Products & Manufacturing Division  
Victoria FFTS Branch**

**Committee of Management Statement Continued**

- (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 full financial year in respect of such activity; and
- (iii) no fees or reimbursement 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 the 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 reimbursement 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 the Committee of Management:



Leo Skourdumbis Branch Secretary

Dated this 21<sup>st</sup> day of February 2006



**Construction Forestry Mining and Energy Union  
The Forestry Furniture Building Products & Manufacturing Division  
Victoria FFTS Branch**

**INDEPENDENT AUDIT REPORT**

To the members of the Construction Forestry Minerals and Energy Union – Forestry Furniture Building Products & Manufacturing Division, Victoria FFTS Branch.

**SCOPE**

I have audited the financial statements, as well as inspecting the accounting records of the Construction Forestry Mining and Energy Union – Forestry Furniture Building Products & Manufacturing Division, Victoria FFTS Branch for the 12 months ended 31<sup>st</sup> December 2005. The Union's Committee of Management and Secretary are responsible for the preparation and presentation of financial statements and the information they contain therein. I have conducted an independent audit of those financial statements in order to express an opinion on them to the members of the Union and Industrial Relations Commission on their preparation and presentation.

My audit has been conducted in accordance with the Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free from material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with the Workplace Relations Act 1996, including compliance with Accounting Standards and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with my understanding of the branch's financial position and its performance as represented by the results of its operations and cash flows.

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

**AUDIT OPINION**

In my opinion, the accounts of the Construction Forestry Mining and Energy Union - Forestry Furniture Building Products & Manufacturing Division, Victoria FFTS Branch are properly drawn up:

- (a) (i) giving a true and fair view of the branch's financial position as at 31<sup>st</sup> December 2005 and of its performance and cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards
- (iii) complying with any other requirements imposed by Reporting Guidelines or Part 3 of Chapter 8 of the RAO Schedule
- (b) In relation to recovery of wages activity;
  - (i) that the scope of the audit encompassed recovery of wages activity
  - (ii) that the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the Industrial Registrar, including;
    - 1. any fees charged to or reimbursement of expenses claimed from members and others for recovery of wages activity and
    - 2. any donations or other contributions deducted from recovery money; and
  - (iii) any other requirements imposed by these reporting guidelines or Part 3 of Chapter 8 of the RAO Schedule



**D C DOUGLAS**  
Registered Company Auditor No. 15038

Dated: 31<sup>st</sup> March 2006

**Construction Forestry Mining and Energy Union**  
**The Forestry Furniture Building Products & Manufacturing Division**  
**Victoria FFTS Branch**  
**Balance Sheet**  
**As at 31 December 2005**

	Note	2005 \$	2004 \$
<b>CURRENT ASSETS</b>			
Cash	2	407,408	334,885
Receivables	3	222,137	290,294
Investments	4	3,889,988	3,899,304
Other	5	4,558	5,563
<b>TOTAL CURRENT ASSETS</b>		<u>4,524,091</u>	<u>4,530,046</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	6	2,261,441	2,276,200
<b>TOTAL NON-CURRENT ASSETS</b>		<u>2,261,441</u>	<u>2,276,200</u>
<b>TOTAL ASSETS</b>		<u>6,785,532</u>	<u>6,806,246</u>
<b>CURRENT LIABILITIES</b>			
Creditors and Borrowing's	7	115,348	156,404
Provisions	8	47,250	51,553
<b>TOTAL CURRENT LIABILITIES</b>		<u>162,598</u>	<u>207,957</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	8	72,853	84,550
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>72,853</u>	<u>84,550</u>
<b>TOTAL LIABILITIES</b>		<u>235,451</u>	<u>292,507</u>
<b>NET ASSETS</b>		<u>6,550,081</u>	<u>6,513,739</u>
<b>MEMBERS FUNDS</b>			
Opening Balance		6,513,739	6,500,887
Net Surplus/Deficit for the Year		36,342	12,852
		<u>6,550,081</u>	<u>6,513,739</u>
<b>TOTAL MEMBERS FUNDS</b>		<u>6,550,081</u>	<u>6,513,739</u>

*The accompanying notes form part of these financial statements.  
These financial statements have not been subject to audit or review and should be read in  
conjunction with the attached Compilation Report.*

**Construction Forestry Mining and Energy Union**  
**The Forestry Furniture Building Products & Manufacturing Division**  
**Victoria FFTS Branch**  
**Profit and Loss Statement**  
**For the Period ended 31 December 2005**

	Note	2005 \$	2004 \$
<b>INCOME</b>			
EBA Processing Fees		30,335	19,350
Membership Contributions		1,572,669	1,535,455
Rent Received		196,922	177,477
Sundry Income		119,929	96,752
Interest Received	9	229,490	197,758
Gain on disposal of Non-current Assets		101	195
Loss on disposal of Non-current Assets		(1,413)	(14,811)
		<u>2,148,033</u>	<u>2,012,176</u>
<b>EXPENDITURE</b>			
Accounting		1,964	12,773
Affiliation Fees		34,730	21,397
Annual Leave Provided		-	5,819
Audit		11,818	15,551
Bank Charges		2,029	2,906
Book Publication Expense		50,915	19,091
Computer Software & Expenses		54,558	13,715
Conference Expenses		7,283	7,495
Contributions to Rallies, Training Schemes, Fighting Funds		900	4,915
Depreciation		69,369	54,566
Electricity Light and Power		4,269	4,750
Fringe Benefits Tax		19,102	18,869
General Office and Incidental Expenses		34,719	19,382
Insurance		53,636	39,276
Legal and Other Professional Costs		106,616	61,222
Levies - NSW Rescue Plan		20,000	-
Long Service Leave Provided		-	3,956
Motor Vehicle Expenses		54,194	54,479
Newsletter & Website Expenses		52,014	51,869
Organising, Lost Time, Travel & Entertainment		17,943	17,665
Payroll Tax		57,727	52,536
Picnic Day Expenses		12,578	10,232
Postage		8,996	19,936
Printing & Stationery		9,684	17,602
Rates and Cleaning		12,598	7,926
Rent Ballarat Office		1,040	6,400
Repairs & Maintenance		1,288	6,194
Salaries - Employees		579,475	593,349
Salaries - Elected Officials		264,760	296,070
Subscriptions & Journals		8,864	1,843
Sundry Expenses		33,350	19,398

*The accompanying notes form part of these financial statements.  
These financial statements have not been subject to audit or review and should be read in  
conjunction with the attached Compilation Report.*

**Construction Forestry Mining and Energy Union**  
**The Forestry Furniture Building Products & Manufacturing Division**  
**Victoria FFTS Branch**  
**Profit and Loss Statement**  
**For the Period ended 31 December 2005**

	Note	2005 \$	2004 \$
Superannuation Contributions		140,053	157,694
Sustentation Fees - Federal Office		314,534	307,091
Telephone and Communications		35,724	41,854
Travelling Expenses		24,571	20,754
Uniforms/Clothing Purchases		10,390	10,749
<b>Total Expenditure</b>		<u>2,111,691</u>	<u>1,999,324</u>
<b>OPERATING SURPLUS FOR THE YEAR</b>		<u>36,342</u>	<u>12,852</u>
 Accumulated Surplus Brought Forward		 6,513,739	 6,500,887
 <b>ACCUMULATED SURPLUS CARRIED FORWARD</b>		 <u><u>6,550,081</u></u>	 <u><u>6,513,739</u></u>

*The accompanying notes form part of these financial statements.  
These financial statements have not been subject to audit or review and should be read in  
conjunction with the attached Compilation Report.*

**Construction Forestry Mining and Energy Union**  
**The Forestry Furniture Building Products & Manufacturing Division**  
**Victoria FFTS Branch**  
**Notes to the Financial Statements**  
**For the Period ended 31st December 2005**

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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

This financial report is a general purpose financial report that has been prepared in accordance the Workplace Relations Act 1996 and applicable Accounting Standards, Urgent Issues Group Consensus Views and other Authoritative Pronouncements of the Australian Accounting Standards Board.

The report is also prepared under the historical cost convention and except where stated does not take into account changing money values or current valuations of non-current assets. The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report ;

**(a) Employee Benefits**

Provision for Long Service Leave is raised against employees and officials of the union who have in excess of one year continuous service.

The provision for Annual leave represents expected obligations for employee's services up to the reporting date, it provides for all employees and officials pro rata from the date of employment using current rates of pay.

**(b) Depreciation**

Depreciation of fixed assets has been calculated using both the Prime Cost and Reducing balance methods, at rates considered adequate to write such assets off over the period of their estimated economic life.

**(c) Income Tax**

No provision for Income Tax is necessary, as the Union is a branch of a Registered Industrial Trade Union that is exempt from Income Tax under section 50-15 of the Income Tax Assessment Act.

**(d) Goods and Services Tax**

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of acquisition of the Asset or as part of an item of expense. Receivables and payables in the financial statements are shown net of GST.

**Construction Forestry Mining and Energy Union**  
**The Forestry Furniture Building Products & Manufacturing Division**  
**Victoria FFTS Branch**  
**Notes to the Financial Statements**  
**For the Period ended 31st December 2005**

	<b>2005</b>	<b>2004</b>
	\$	\$
<b>2. CASH</b>		
Petty Cash	100	100
Cash at Bank - General Fund	266,691	191,696
Cash at Bank - Glass Picnic Fund	22,002	29,552
Cash at Bank - Glass Hardship Fund	118,615	113,537
	<u>407,408</u>	<u>334,885</u>
<b>3. RECEIVABLES</b>		
<b>Current</b>		
Amounts Owing by Federal Office	212,635	248,086
Amounts Owing by Forestry Victoria	9,502	9,502
Receivables	-	32,706
	<u>222,137</u>	<u>290,294</u>
<b>4. INVESTMENTS</b>		
<b>Current</b>		
Commercial Bill No.1	3,889,988	3,869,428
FFTS Officers & Staff Entitlements	-	29,876
	<u>3,889,988</u>	<u>3,899,304</u>
<b>5. OTHER</b>		
<b>Current</b>		
Inventories	4,558	5,563
Prepayments	-	-
	<u>4,558</u>	<u>5,563</u>
<b>6. PROPERTY, MOTOR VEHICLES &amp; EQUIPMENT</b>		
<b>Land &amp; Buildings</b>		
Freehold Land	384,450	384,450
Buildings	<u>1,642,594</u>	<u>1,642,594</u>
Total Land & Buildings	<u>2,027,044</u>	<u>2,027,044</u>

**Construction Forestry Mining and Energy Union**  
**The Forestry Furniture Building Products & Manufacturing Division**  
**Victoria FFTS Branch**  
**Notes to the Financial Statements**  
**For the Period ended 31st December 2005**

	<b>2005</b>	<b>2004</b>
	\$	\$
<b>Motor Vehicles &amp; Equipment</b>		
Motor Vehicles	295,225	270,946
Less: Accumulated Depreciation	85,436	56,263
	209,789	214,683
Office Furniture & Equipment	91,144	418,579
Less: Accumulated Depreciation	70,226	388,264
	20,918	30,315
Furniture & Fittings	31,208	31,208
Less: Accumulated Depreciation	27,518	27,050
	3,690	4,158
Total Motor Vehicles & Equipment	234,397	249,156
<b>Total Property, Motor Vehicles &amp; Equipment</b>	<b>2,261,441</b>	<b>2,276,200</b>
<b>7. CREDITORS AND BORROWINGS</b>		
<b>Current</b>		
Creditors	13,000	58,560
GST Liability	71,405	64,588
FBT	1,754	1,512
PAYG Withholding	29,189	31,744
	115,348	156,404
<b>8. PROVISIONS</b>		
<b>Current</b>		
Employee Entitlements	47,250	51,553
	47,250	51,553
<b>Non-Current</b>		
Employee Entitlements	72,853	84,550
	72,853	84,550

**Construction Forestry Mining and Energy Union**  
**The Forestry Furniture Building Products & Manufacturing Division**  
**Victoria FFTS Branch**  
**Notes to the Financial Statements**  
**For the Period ended 31st December 2005**

	2005	2004
	\$	\$
<b>9. INTEREST RECEIVED</b>		
General Account	913	1,851
Commercial Bill No.1	220,560	187,183
Glass Hardship Fund	6,658	5,490
FFTS Officers & Staff Entitlements Account	1,207	3,121
Glass Picnic Fund	152	113
	229,490	197,758

**10. RELATED PARTY TRANSACTIONS**

Persons holding executive positions within the Victorian Branch as member of the Committee of Management during the year: -

Mr Joseph Patti	President
Mr Leo Skourdoumbis	Secretary
Mr Frank Vari	Assistant Secretary
Mr Clifford Palmer	Vice President
Mr John Pepas	Vice President
Mr Les Ford	Trustee
Mr Alwin Seneviratne	Trustee
Mr Bruce Ross	Trustee

There were no related party transactions throughout the year.

**11. CONTINGENT LIABILITY**

The details and estimated maximum amounts of contingent Liabilities, classified according to party from whom the contingent liability arises are set out below. The executive are not aware of any circumstance or information which would lead them to believe that these liabilities will crystallise and consequently no provisions are included in the accounts in respect of these matters.

In respect of the Victorian Branch, there are no contingent Liabilities.

**12. INFORMATION TO BE PROVIDED TO MEMBER OR INDUSTRIAL REGISTRAR**

In accordance with the requirements of the Workplace Relations Act 1996, the attention of the members is drawn to the provisions of sub sections (1), (2) and (3) of Section 272 of the Registration and Accountability of Organisations Schedule (Schedule 1B to the Workplace Relations Act 1996) which reads as follows: -

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



**Construction Forestry Mining and Energy Union**  
**The Forestry Furniture Building Products & Manufacturing Division**  
**Victoria FFTS Branch**  
**Depreciation Schedule**  
**For the Year Ended 31 December 2005**

Asset	Cost Price	Cost Limit	Opening W.D.V 01/01/2005	Additions Disposals	Gain/Loss on Disposal	Capital Gains	--- Depreciation Rate --- \$	Accum Deprec 31/12/2005	Closing W.D.V 31/12/2005
<b>MOTOR VEHICLES</b>									
Ford Falcon QXM 570	25,553		10,376				22.5% DV	2,335	8,041
Mitsubishi RNU 713	29,872		16,029	(15,000)	(930)		22.5% DV	99	0
Mitsubishi RPQ 183	31,914		17,088	(16,500)	(483)		22.5% DV	105	0
Mitsubishi STZ 607	27,833		22,957				22.5% DV	5,165	17,792
Mitsubishi STZ 608	27,833		22,957				22.5% DV	5,165	17,792
Mitsubishi TFP 448	20,047		19,579				22.5% DV	4,405	15,174
Mitsubishi TFP 449	20,047		19,579	(18,690)	101		22.5% DV	990	0
Toyota TEX 812	29,513		28,932				22.5% DV	6,510	22,422
Toyota TEX 813	29,167		28,593				22.5% DV	6,433	22,160
Toyota TEX 814	29,167		28,593				22.5% DV	6,433	22,160
Mitsubishi TGT 984				28,227			22.5% DV	6,177	22,050
Mitsubishi TGT 981				28,227			22.5% DV	6,177	22,050
Toyota THK 091				29,167			22.5% DV	6,024	23,143
Toyota TJH 361				20,490			22.5% DV	3,486	17,002
Sub-total	270,948		214,685	55,922	(1,312)			59,504	209,789
<b>OFFICE FURNITURE &amp; EQUIPMENT</b>									
Office Equipment	2,136		55				33.3% DV	18	37
Office Cabinets	3,550		710				10.0% PC	355	355
HP USB Scanner	1,620						20.0% PC	0	0
Z Tec Features & Installation	2,470						25.0% PC	0	0
Acer Notebook Computer	4,220		381				36.0% DV	137	244
Computer	2,040		201				36.0% DV	72	129
Vacuum Cleaner	475						20.0% PC	0	0
Micro Cassette Recorder	540						20.0% PC	0	0
Lexmark Laser Printer	5,707						20.0% PC	0	0
File Server	7,070						20.0% PC	0	0
Network Upgrade	3,422						20.0% PC	0	0
Network Upgrade	531						20.0% PC	0	0
Cabinet	6,600		2,387				10.0% PC	660	1,727
Paper Shredder	795						20.0% PC	0	0
4 Novetta Chairs	1,240		248				20.0% PC	248	0
Telephone System	15,340		3,068				20.0% PC	3,068	0
Furniture	14,080		5,632				15.0% PC	2,112	3,520
Chair - Geelong Office	1,077		711				15.0% DV	107	604
Mobile Phones	865		580				15.0% DV	87	493
Carkits	327		219				15.0% DV	33	186
Copier Minolta/Konica	2,160		1,628				20.0% DV	326	1,302
Digital Camera	455		406				15.0% DV	61	345
Photocopier	13,152		12,823				15.0% DV	1,923	10,900
Vacuum Cleaner	1,272		1,266				15.0% DV	190	1,076
Sub-total	91,144		30,315					9,397	20,918
<b>FURNITURE &amp; FITTINGS</b>									
Fixtures & Fittings	31,208		4,158				11.2% DV	468	3,690
Sub-total	31,208		4,158					468	3,690
<b>Total</b>	<b>393,300</b>		<b>249,158</b>	<b>55,922</b>	<b>(1,312)</b>			<b>69,369</b>	<b>234,399</b>

Note: This Statement is to be read in conjunction with the accompanying Notes and the Accountant's Disclaimer

**Construction Forestry Mining and Energy Union  
The Forestry Furniture Building Products & Manufacturing Division  
Victoria FFTS Branch**

**Statement of Cash Flows  
For the Year ended 31<sup>st</sup> December 2005**

	2005 \$	2004 \$
<b>Cash Flows from Operating Activities</b>		
Receipts from Members' Subscriptions & Other Activities	1,918,543	1,786,826
Interest Received	229,490	197,758
Payments to Suppliers & Employees	(2,019,588)	(2,253,131)
<b>Net Cash Inflow (Outflow) from Operating Activities</b>	<u>128,445</u>	<u>(268,547)</u>
 <b>Cash Flows from Investing Activities</b>		
Payment for Property, Motor Vehicles & Equipment	(106,112)	(198,502)
Proceeds from Sale of Property, Motor Vehicles & Equipment	50,190	70,150
<b>Net Cash Inflow (Outflow) from Investment Activities</b>	<u>( 55,922)</u>	<u>(128,352)</u>
 <b>Cash Flows from Financing Activities</b>		
<b>Net Cash Inflow (Outflow) from Financing Activities</b>	<u>-</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash Held</b>	72,523	(396,899)
Cash At Beginning of Year	<u>334,885</u>	<u>731,784</u>
<b>Cash at End of Financial Year</b>	<u>407,408</u>	<u>334,885</u>

**Construction Forestry Mining and Energy Union**  
**The Forestry Furniture Building Products & Manufacturing Division**  
**Victoria FFTS Branch**

**Statement of Cash Flows**  
**For the Year ended 31<sup>st</sup> December 2005**

	<b>2005</b>	<b>2004</b>
	\$	\$
<b>Reconciliation of Surplus (Deficit) to Net cash Inflow</b>		
<b>From operating Activities</b>		
Operating Surplus (Deficit)	36,342	12,852
<b>Plus (Minus) Non Cash Items</b>		
Depreciation & Amortisation	69,369	54,566
Loss on Sale of Property, Motor vehicles & Equipment	1,413	14,811
Gain on Sale of Property, Motor Vehicles & Equipment	(101)	(195)
	<u>107,023</u>	<u>82,034</u>
<b>Changes in Assets &amp; Liabilities</b>		
(Increase)/decrease in Receivables	68,157	(171,205)
(Increase)/decrease in Investments	9,316	(144,824)
(Increase)/decrease in Other Assets	1,005	(6,786)
(Increase)/decrease in		
(Increase)/decrease in		
(Increase)/decrease in		
(Decrease)/increase in Payables	(41,056)	(23,541)
(Decrease)/increase in Provisions	(16,000)	(4,225)
(Decrease)/increase in		
(Decrease)/increase in		
(Decrease)/increase in		
<b>Net Cash Inflow from Operating Activities</b>	<u>128,445</u>	<u>(268,547)</u>
<b>Reconciliation of Cash</b>		
Cash on Hand	100	100
Cash at Bank	266,691	191,696
Cash at Bank	22,002	29,552
Cash at Bank	118,615	113,537
<b>Cash on Hand at End of Financial Year</b>	<u>407,408</u>	<u>334,885</u>

**Construction Forestry Mining and Energy Union  
The Forestry Furniture Building Products & Manufacturing Division  
Victoria FFTS Branch**

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**Statement of Receipts and Payments for Recovery of Wages Activity  
Cash Basis for year ended 31<sup>st</sup> December 2005**

	Note	2004 \$
<b>Cash assets in respect of recovered money at beginning of year</b>		0
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc	1	25,000
Interest received on recovered money		<u>0</u>
<b>Total receipts</b>		<u>25,000</u>
<b>Payments</b>		
Deductions of amounts due in respect of membership for;		
• 12 months or less		0
• greater than 12 months		0
Deductions of donations or other contributions to accounts or funds of;		
• the reporting unit		0
• other reporting unit of the organisation		0
• other entity		0
Deductions of fees or reimbursements of expenses		0
Payments to workers in respect of recovered money		<u>25,000</u>
<b>Total payments</b>		<u>25,000</u>
<b>Cash assets in respect of recovered money at end of year</b>		<u>0</u>

**Notes;**

1. The number of workers to which the moneys recovered relates to is, one (1).



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

Level 6, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 6990  
Email: sydney@air.gov.au

Mr Leo Skourdoumbis  
Branch Secretary  
CFMEU FFPD  
Victorian FFTS Branch  
130 Errol Street  
NORTH MELBOURNE VIC 3051

Dear Mr Skourdoumbis

**Lodgement of Financial Statements and Accounts for the CFMEU Victorian FFTS Branch for the year ending 31 December 2005 (FR2005/563)**

Receipt is acknowledged of the abovementioned financial statements and accounts which were lodged in the Registry on 11 May 2006.

I would like to draw the following information to your attention for your future reference when preparing your financial returns.

In relation to the recovery of wages activity statement, there are four items of information required by the Industrial Registrars guidelines that need to be contained in the notes, or elsewhere in the report.

These items are:

- aggregate payables to workers attributable to recovered moneys but not yet distributed; and
- the number of workers to which the payables mentioned relate; and
- name and balance of each fund or account operated for recovery of wages activity; and
- where moneys, or the balance of moneys, standing to the credit of a fund or account referred to in the aforementioned point have been invested in any assets – the name of the fund or account and the value of those assets.

These items do not appear to be contained in the current financial statements or accounts.

The documents for the year ending 31 December 2005 have been filed, and may be viewed on the internet at [www.e-airc.gov.au/105nfftv/financial](http://www.e-airc.gov.au/105nfftv/financial).

Yours sincerely,

A handwritten signature in cursive script that reads 'Belinda Penna'.

Belinda Penna  
for Deputy Industrial Registrar

29 May 2006