



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: FR2006/569-[105N-NSWT]

Mr Craig Smith
Divisional Branch Secretary
CFMEU FFPD
New South Wales Divisional Branch
PO Box 207 PBC
PARRAMATTA NSW 2124

Dear Mr Smith

Financial Return - year ending 31 December, 2006

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".

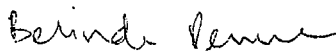
Extensions of Time

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
17 January 2007

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:

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

(a) the secretary; or

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

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

³*Insert whichever is applicable*



Ref: FR2006/569 -[105N-NSWT]

Mr Craig Smith
Divisional Branch Secretary
CFMEU - FFPD
New South Wales Branch
PO Box 207 PBC
PARRAMATTA NSW 2124

Dear Mr Smith

Re: Construction, Forestry, Mining and Energy Union-FFPD- New South Wales Branch (No.1 Branch) - Outstanding Financial Documents - *Workplace Relations Act 1996*

The Accounts and Audit Part of Schedule 1B 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.

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, 2006. For details of these provisions and organisations' financial reporting obligations please refer to the Registry's earlier correspondence.

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

- the general purpose financial report;
- the auditor's report; or
- 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 **17 July, 2007.**

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.

In the absence of lodgement of a copy of the full report, I request you state in writing by **8 August, 2007:**

- 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 committee of management has prepared the operating report

¹ Schedule 1B of the Workplace Relations Act 1996

- 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 certificate of the secretary or other authorised officer 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.

If you wish to discuss this letter, please contact me on (02) 8374 6618. In reply please quote: **FR2006/569.**

Yours sincerely



Belinda Penna

E-mail: belinda.penna@air.gov.au

18 July, 2007



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 Craig Smith
Divisional Branch Secretary
CFMEU FFPD
New South Wales Divisional Branch
PO Box 207 PBC
PARRAMATTA NSW 2124

Dear Mr Smith

**Re: Outstanding Financial Statements and Accounts Documents for the CFMEU FFPD
NSW Divisional Branch for the year ending 31 December 2006 (FR2006/569)**

I refer to the previous correspondence dated 18 July 2007 (a copy of which is attached) concerning the outstanding lodgement of the financial statements and accounts for the year ended 31 December 2006.

To date, no response has been received to this letter, and the lodgement of these documents is now substantially overdue.

Accordingly, you are requested to lodge in the Registry, under cover of a certificate by the Secretary in accordance with section 268 of the *Workplace Relations Act 1996*, the abovementioned documents.

If you are unable to lodge the documents at this time please advise the Registry **in writing by 8 October 2007** when the documents are likely to be lodged.

Yours sincerely,

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

Belinda Penna
For Deputy Industrial Registrar

20 September 2007



Ref: FR2006/569 -[105N-NSWT]

Mr Craig Smith
Divisional Branch Secretary
CFMEU - FFPD
New South Wales Branch
PO Box 207 PBC
PARRAMATTA NSW 2124

COPY

Dear Mr Smith

Re: Construction, Forestry, Mining and Energy Union-FFPD- New South Wales Branch (No.1 Branch) - Outstanding Financial Documents - Workplace Relations Act 1996

The Accounts and Audit Part of Schedule 1B 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.

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, 2006. For details of these provisions and organisations' financial reporting obligations please refer to the Registry's earlier correspondence.

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

- the general purpose financial report;
- the auditor's report; or
- 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 **17 July, 2007.**

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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.

In the absence of lodgement of a copy of the full report, I request you state in writing by **8 August, 2007:**

- 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 committee of management has prepared the operating report


¹ Schedule 1B of the Workplace Relations Act 1996

- 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 certificate of the secretary or other authorised officer 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.

If you wish to discuss this letter, please contact me on (02) 8374 6618. In reply please quote: **FR2006/569**.

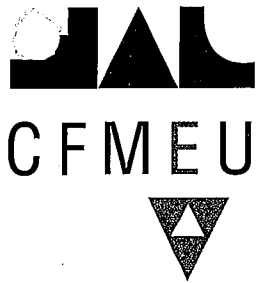
Yours sincerely



Belinda Penna

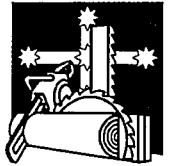
E-mail: belinda.penna@air.gov.au

18 July, 2007



FR 2006/569

Solidarity is Strength



NSW BRANCH

CONSTRUCTION

FORESTRY

MINING

ENERGY

UNION

Deputy Industrial Registrar
Australian Industrial Registry
Level 8, Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

5 October 2007

Dear Deputy Industrial Registrar

RE: Construction Forestry Mining & Energy Union, Forestry, Furnishing, Building Products and Manufacturing Division, NSW Divisional Branch – Financial Documents Year ended 31 December 2006 – Section 254 of the Workplace Relations Act 1996

Please find enclosed copy of the full report and Secretary Certificate regarding our 2006 reporting requirements.

Yours sincerely

CRAIG SMITH
DIVISIONAL BRANCH SECRETARY
CFMEU FFPD – NSW DIVISIONAL BRANCH



FORESTRY, FURNISHING,
BUILDING PRODUCTS AND
MANUFACTURING DIVISION
(CFMEU FFPD)
NSW DIVISIONAL BRANCH
ABN: 33 399 833 248

CRAIG SMITH
Divisional Branch Secretary

NSW BRANCH OFFICE

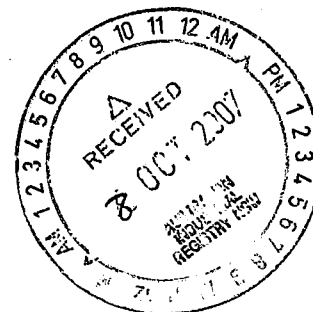
GROUND FLOOR
11 GEORGE STREET
PARRAMATTA NSW 2150

PO BOX 207 PBC
PARRAMATTA NSW 2124

PH: (02) 8898 6900
FAX: (02) 8898 6901

E-MAIL:
enquiries@cfmeu.ffpdnsw.org.au

WEB:
www.cfmeu.net.au



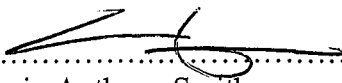
yourrightsatwork
worth fighting and voting for

Certificate of Secretary

I, Craig Anthony Smith being the Divisional Branch Secretary of the Construction, Forestry Mining and Energy Union, Forestry, Furnishing, Building Products and Manufacturing Division (FFPD Division) NSW Divisional Branch (No. 1 Branch), Ground Floor, 11 George Street Parramatta NSW 2150, certify:

- That the documents lodged herewith are copies of the full report, referred to in s268 of the ROA Schedule for the Year Ended 31 December 2006; and
- That the full report was provided to members on 4 September 2007; and
- That the full report was presented to a meeting of the Committee of Management of the reporting unit on 5 October 2007; in accordance with section 266 of the ROA Schedule.

Signed:

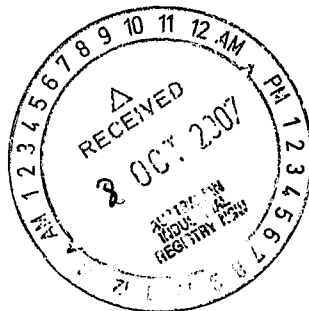

.....
Craig Anthony Smith

5th day of October 2007



CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND
MANUFACTURING DIVISION -
NEW SOUTH WALES DIVISIONAL BRANCH
ABN 33 399 833 248

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006



**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NEW SOUTH WALES DIVISIONAL BRANCH
ABN 33 399 833 248**

OPERATING REPORT

In accordance with Section 254 of the Workplace Relations Act 1996, the Committee of Management present their Operating Report on the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – New South Wales Divisional Branch, the relevant Reporting Unit for the financial year ended 31 December 2006.

Principal Activities

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

- Adherence to the rules of the Branch in furtherance of the objects of the Union consistent with the industrial relations legislation.
- Implementation of the decisions of the Branch Executive and Committee of Management.
- Implementation of the Union's organising agenda, including assistance and advice on organising site projects, training and development of officials and planning and resourcing campaigns.
- Industrial support including assistance with legal and legislative matters.
- The administration and variation of federal and state awards.
- Negotiation and registration of certified industrial instruments on behalf of members consistent with the objects of the Workplace Relations Act 1996, and the Union rules.
- Media and other communications to members and to the broader local communities of the Branch on issues affecting the rank and file.

Operating Result

The operating profit of the Union for the financial year was \$84,054. 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.

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 Workplace Relations Act 1996, 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.

Superannuation Officeholders

Mr C Smith is an executive member of the Union and held directorship of Timber Industry Superannuation Scheme Pty Ltd until he resigned on the 1 March 2007.

Mr C Smith is an executive member of the Union and holds directorship of FIRST Superannuation Pty Ltd from the 9 November 2006.

Mr B Parker is an executive member of the Union and held directorship of FIRST Superannuation Pty Ltd until he resigned on the 1 September 2006.

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.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NEW SOUTH WALES DIVISIONAL BRANCH
ABN 33 399 833 248**

**OPERATING REPORT
Continued**

Other Prescribed Information

In accordance with Regulation 159 of the Workplace Relations (Registration and Accountability of Organisations) Regulations:

- (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 RAO Schedule and who are taken to be members of the Union under section 244 of the RAO Schedule was 2,261.
- (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 5.
- (c) the names of each person who have been a member of the Branch 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;

Name	Position
Mr B Anderson	Branch President (Honorary)
Mr B Parker	Branch President (Resigned 1 September 2006)
Mr B Campbell	Branch Senior Vice President
Mr R Watson	Branch Junior Vice President
Mrs J Willett	Branch Junior Vice President (AA)
Mr C Smith	Branch Secretary
Mrs E Anderson	Branch Trustee (AA)
Mr G Tory	Branch Trustee
Mr K Miller	Branch Trustee
Mrs S Taalili	Branch Trustee
Mr B Barrakett	Branch Trustee
Mr A Ovington	Committee of Management
Mr B Field	Committee of Management
Mrs C Hampton	Committee of Management (AA)
Mr E Skennerton	Committee of Management
Mrs H Joseph	Committee of Management (AA) (Resigned 8 December 2006)
Mr M Hurst	Committee of Management
Mr M Schuppan	Committee of Management
Mr P Harvey	Committee of Management
Mr D West	Committee of Management
Mrs C Dwyer	Committee of Management (Resigned 21 June 2006)

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NEW SOUTH WALES DIVISIONAL BRANCH
ABN 33 399 833 248

OPERATING REPORT
Continued

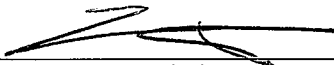
Other Prescribed Information continued

- d) The following persons were members of the Branch Executive, during the year ended 31 December 2006:

Name	Position
Mr B Anderson	Branch President (Honorary)
Mr B Parker	Branch President (Resigned 1 September 2006)
MR B Campbell	Branch Senior Vice President
Mr R Watson	Branch Junior Vice President
Mrs J Willett	Branch Junior Vice President (AA)
Mr C Smith	Branch Secretary
Mrs E Anderson	Branch Trustee (AA)
Mr G Tory	Branch Trustee
Mr K Miller	Branch Trustee
Mrs S Taalili	Branch Trustee
Mr B Barrakett	Branch Trustee

Branch 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 Committee of Management:



C Smith – Branch Secretary



B Barrakett – Branch Trustee

Sydney: 5 June 2007

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NEW SOUTH WALES DIVISIONAL BRANCH
ABN 33 399 833 248**

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 \$	2005 \$
Revenue	3	1,115,938	1,158,351
Administration expense	4	(97,844)	(114,319)
Affiliation fees, compulsory levies and sustentation fees	4	(224,538)	(197,608)
Borrowing cost expense	4	(4,418)	(5,904)
Depreciation expense	4	(18,269)	(15,753)
Employee benefits expense	4	(395,548)	(425,344)
Motor vehicle expense		(115,332)	(152,480)
Occupancy expense		(54,153)	(55,073)
Telephone and facsimile expense		(28,720)	(32,107)
Travel expense		(39,325)	(31,125)
Other expenses		<u>(53,737)</u>	<u>(108,057)</u>
Profit before income tax expense	4	84,054	20,581
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Net profit attributable to members		<u>84,054</u>	<u>20,581</u>

The accompanying notes form part of these financial statements

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NEW SOUTH WALES DIVISIONAL BRANCH
ABN 33 399 833 248**

**BALANCE SHEET
AS AT 31 DECEMBER 2006**

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash and cash equivalents	5	59,129	47,163
Trade and other receivables	6	237,645	232,312
Other current assets	7	11,328	13,890
Financial assets	8	-	41,936
TOTAL CURRENT ASSETS		<u>308,102</u>	<u>335,301</u>
NON CURRENT ASSETS			
Financial assets	8	3,265	916
Property, plant and equipment	9	158,909	169,899
TOTAL NON CURRENT ASSETS		<u>162,174</u>	<u>170,815</u>
TOTAL ASSETS		<u>470,276</u>	<u>506,116</u>
CURRENT LIABILITIES			
Trade and other payables	10	215,912	331,473
Short term borrowings	11	7,069	7,063
Short term provisions	12	161,711	176,066
Other	13	42,562	29,895
TOTAL CURRENT LIABILITIES		<u>427,254</u>	<u>544,497</u>
NON CURRENT LIABILITIES			
Long term borrowings	11	151,730	154,381
TOTAL NON CURRENT LIABILITIES		<u>151,730</u>	<u>154,381</u>
TOTAL LIABILITIES		<u>578,984</u>	<u>698,878</u>
NET ASSETS/(LIABILITIES)		<u>(108,708)</u>	<u>(192,762)</u>
EQUITY			
Accumulated losses		<u>(108,708)</u>	<u>(192,762)</u>
TOTAL EQUITY		<u>(108,708)</u>	<u>(192,762)</u>

The accompanying notes form part of these financial statements

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NEW SOUTH WALES DIVISIONAL BRANCH
ABN 33 399 833 248

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2006

	Retained earnings	Total
Balance at 1 January 2005	(213,343)	(213,343)
Profit attributable to members	20,581	20,581
Balance at 31 December 2005	<u>(192,762)</u>	<u>(192,762)</u>
Profit attributable to members	84,054	84,054
Balance at 31 December 2006	<u>(108,708)</u>	<u>(108,708)</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NEW SOUTH WALES DIVISIONAL BRANCH
ABN 33 399 833 248**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 \$	2005 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members		801,654	932,329
Grant Forest Policy Officer		125,400	-
Service fees		53,245	99,803
Reimbursement of sitting fees		45,778	56,253
Reimbursement of grant expenditure		27,427	36,609
Interest received		1,784	4,638
Dividends received		216	116
Other income received		3,191	15,590
Payments to suppliers and employees		(1,076,907)	(1,294,130)
Interest paid on borrowings		(4,418)	(5,904)
Receipts for government grants		51,511	260,807
Payments on behalf of government grants		<u>(48,927)</u>	<u>(314,620)</u>
Net cash provided (used) in operating activities	20(b)	<u>(20,046)</u>	<u>(208,509)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant & equipment		(7,279)	(34,876)
Movements in investments		<u>-</u>	<u>100,706</u>
Net cash provided by investing activities		<u>(7,279)</u>	<u>65,830</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	100,000
Repayments of borrowings		<u>(2,645)</u>	<u>(2,811)</u>
Net cash provided (used) in financing activities		<u>(2,645)</u>	<u>97,189</u>
Net increase/(decrease) in cash held		(29,970)	(45,490)
Cash at beginning of year		47,163	92,653
Reclassification of prior year financial asset		<u>41,936</u>	<u>-</u>
Cash at end of year	20a	<u>59,129</u>	<u>47,163</u>

The accompanying notes form part of these financial statements

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NEW SOUTH WALES DIVISIONAL BRANCH
ABN 33 399 833 248**

**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY
CASH BASIS - FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006 \$	2005 \$
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 –
NEW SOUTH WALES DIVISIONAL BRANCH
ABN 33 399 833 248**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

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 Workplace Relations Act 1996.

The financial report of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – New South Wales Divisional Branch 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.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented. The Union has however elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement.

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. Property, Plant and Equipment

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

Property

Freehold land and buildings are bought to account at cost.

Plant and equipment

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the committee of management 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.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NEW SOUTH WALES DIVISIONAL BRANCH
ABN 33 399 833 248**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

b. Property, Plant and Equipment continued

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
Buildings	2.0%
Furniture, fittings and equipment	5.0% to 47.90%
Motor vehicles	22.5%

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. 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.

e. 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:

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.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NEW SOUTH WALES DIVISIONAL BRANCH
ABN 33 399 833 248**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

e. Financial Instruments continued

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.

f. 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.

g. 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.

h. 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).

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. Refer to Note 13, "Unexpended Grants Carried Forward".

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NEW SOUTH WALES DIVISIONAL BRANCH
ABN 33 399 833 248**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

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 committee of management members evaluate 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 committee of management members assesses 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. Going Concern

The Union has a net current asset deficiency of \$119,152 and a net asset deficiency of \$108,708. The continuing operations of the Union and the ability to pay its debts as and when they fall due is dependent upon the continuing financial support of the Construction, Forestry, Mining and Energy Union(CFMEU) Forestry and Furnishing Products Division .

The CFMEU Forestry and Furnishing Products Division has confirmed that it will provide to the Union the financial assistance necessary to ensure that the Union is able to pay its debts as and when they fall due and enable the Union to continue as a going concern. This assistance will be provided for a period of one year from the date of these accounts.

If the Union is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

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

1. A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and 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 –
NEW SOUTH WALES DIVISIONAL BRANCH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006 \$	2005 \$
NOTE 3: REVENUE		
Operating activities		
Contributions	813,274	818,214
Grant Forest Policy Officer	109,917	-
Sitting fees	33,862	50,754
Service office fees	70,177	32,698
Grants – reimbursements	20,091	28,121
Dividends received	216	116
Interest received	1,927	4,638
Grants received	51,368	183,500
Unexpended grant funds carried forward	(2,584)	358
Other income	15,341	39,952
Unrealised gain on investments	2,349	-
	1,115,938	1,158,351
Total revenue		

NOTE 4: PROFIT FOR YEAR

Profit before income tax expense has been determined after:

EXPENSES

Administration expense

Accounting fee	8,016	-
Bank charges	4,631	2,755
Computer expenses	6,293	9,616
Conference expenses	-	738
Consultancy	14,546	-
Insurance	16,319	22,012
Legal expenses	2,402	35,172
Postage, freight, printing and stationery	27,175	20,550
Repairs and maintenance	3,720	-
Staff expenses	1,742	900
Subscriptions	-	2,643
Sundry expenses	-	3,785
Remuneration of auditor		
- audit	13,000	16,148
- other services	-	-
	97,844	114,319

**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 2006**

	2006 \$	2005 \$
NOTE 4: PROFIT FOR YEAR continued		
Affiliation fees, compulsory levies and Sustentation fees		
Affiliation fees:		
- Australian Labor Party New South Wales Branch	10,272	9,442
- Labor Council of New South Wales	7,920	8,350
Compulsory levy:		
- Australian Council of Trade Unions Industrial Relations campaign	14,600	17,375
- CFMEU Forestry and Furnishing Products Division National Office	29,091	-
Sustentation fee:		
- CFMEU Forestry and Furnishing Products Division National Office	162,655	162,441
	224,538	197,608
 Borrowing expense		
Interest paid on mortgage	4,418	4,497
Interest paid to Australian Tax Office	-	1,407
	4,418	5,904
 Depreciation expense		
Buildings	2,069	2,069
Furniture, fittings and equipment	16,200	13,684
	18,269	15,753
 Employee benefit expense		
Salaries		
- elected officials	137,643	124,920
- employees	202,982	351,037
Superannuation		
- elected officials	10,489	16,179
- employees	23,140	32,117
Provision for annual leave		
- elected officials	(16,755)	2,759
- employees	2,053	(14,601)
Provision for long service leave		
- elected officials	(8,589)	2,377
- employees	10,811	(2,391)
Provision for rostered days off		
- elected officials	(906)	(852)
- employees	83	(2,808)
Provision for severance scheme		
- elected officials	-	(40,555)
- employees	-	(85,728)
Provision for sick leave		
- elected officials	(3,560)	(375)
- employees	2,507	(9,913)
Fringe benefits tax	6,181	13,716
Payroll tax	22,807	39,462
Social club contribution	674	-
Workcover	5,988	-
	395,548	425,344

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NEW SOUTH WALES DIVISIONAL BRANCH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006 \$	2005 \$
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash on hand	1,300	1,300
Cash at bank	<u>57,829</u>	<u>45,863</u>
	<u>59,129</u>	<u>47,163</u>
 NOTE 6: TRADE AND OTHER RECEIVABLES		
CURRENT		
Contributions receivable	67,661	56,042
Sundry debtors	<u>169,984</u>	<u>176,270</u>
	<u>237,645</u>	<u>232,312</u>
 NOTE 7: OTHER CURRENT ASSETS		
CURRENT		
Prepayments	<u>11,328</u>	<u>13,890</u>
 NOTE 8: FINANCIAL ASSETS		
CURRENT		
Investment account	<u>-</u>	<u>41,936</u>
NON CURRENT		
Shares in Training Education and Management Services Pty Limited (at cost)	1	1
Shares in listed public companies (at market value)	<u>3,264</u>	<u>915</u>
	<u>3,265</u>	<u>916</u>
 NOTE 9: PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings 26 Merrivale Street Tumut NSW		
Land - at cost	<u>14,000</u>	<u>14,000</u>
Buildings – at cost	103,453	103,453
Less accumulated depreciation	<u>(16,897)</u>	<u>(14,828)</u>
	<u>86,556</u>	<u>88,625</u>
Total Land and Buildings	<u>100,556</u>	<u>102,625</u>

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NEW SOUTH WALES DIVISIONAL BRANCH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006 \$	2005 \$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT continued		
Furniture, fittings and equipment – at cost	108,823	108,099
Less accumulated depreciation	<u>(71,045)</u>	<u>(66,290)</u>
	37,778	41,809
Computer equipment - at cost	106,298	99,743
Less accumulated depreciation	<u>(85,723)</u>	<u>(74,278)</u>
	20,575	25,465
Motor vehicles – at cost	650	650
Less accumulated depreciation	<u>(650)</u>	<u>(650)</u>
	-	-
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>158,909</u>	<u>169,899</u>

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.

	Land & Buildings	Furniture Fittings & Equipment	TOTAL
Balance at start of year	102,625	67,274	169,899
Additions	-	7,279	7,279
Disposals	-	-	-
Depreciation expense	<u>(2,069)</u>	<u>(16,200)</u>	<u>(18,269)</u>
Balance at end of year	<u>100,556</u>	<u>58,353</u>	<u>158,909</u>

NOTE 10: TRADE AND OTHER PAYABLES

Trade creditors & accruals	109,961	182,790
Legal cost payable	-	24,719
GST liability	(8,532)	39,087
Amounts relating to:		
CFMEU – Construction & General Division		
- Western Australia Branch	-	1,181
CFMEU – Forestry & Furnishing Products Division - National Office	114,483	78,563
CFMEU – Constructions & General Division – New South Wales Branch	<u>-</u>	<u>5,133</u>
	<u>215,912</u>	<u>331,473</u>

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NEW SOUTH WALES DIVISIONAL BRANCH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006 \$	2005 \$
NOTE 11: BORROWINGS		
CURRENT		
Loan - Secured	<u>7,069</u>	<u>7,063</u>
NON CURRENT		
Loan - Secured	51,730	54,381
Loan - Unsecured	<u>100,000</u>	<u>100,000</u>
	<u>151,730</u>	<u>154,381</u>
 TOTAL BORROWINGS	 <u>158,799</u>	 <u>161,444</u>
 (a) The bank loans are secured by registered first mortgages over the Merrivale Street, Tumut property.		
 NOTE 12: PROVISIONS		
CURRENT		
Employee benefits:		
Annual leave		
- elected officials	20,977	37,731
- employees	47,360	45,307
Long service leave		
- elected officials	18,705	26,992
- employees	53,709	43,200
Sick leave		
- elected officials	5,505	9,060
- employees	15,455	12,953
Rostered days off		
- elected officials	-	906
- employees	<u>-</u>	<u>(83)</u>
Total Current Provisions	<u>161,711</u>	<u>176,066</u>
 Number of Employees at year end	 <u>5</u>	 <u>6</u>

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ABN 33 399 833 248**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006 \$	2005 \$
NOTE: 13: OTHER		
Unexpended grant funds	<u>42,562</u>	<u>29,895</u>
NOTE 14: OPERATING LEASE COMMITMENTS		
An operating lease commitment exists in respect of the ground floor situated at 11 George Street, Parramatta. An operating lease commitment also exists in respect of the lease of six motor vehicles from Summit Fleet Management Services. The maximum amount committed plus the maximum extension of options is as follows:-		
The total operating lease commitments are:		
(a) 11 George Street, Parramatta		
Due within 1 year	51,500	50,000
Due within 2-5 years	<u>34,334</u>	<u>95,833</u>
	<u>85,834</u>	<u>145,833</u>
(b) Motor Vehicles		
Due within 1 year	60,185	27,296
Due within 2-5 years	<u>16,107</u>	<u>-</u>
	<u>76,292</u>	<u>27,296</u>
TOTAL COMMITMENT	<u>162,126</u>	<u>173,129</u>

NOTE 15: CONTINGENT LIABILITIES

There are no contingent liabilities at the date of this report.

NOTE 16: EVENTS SUBSEQUENT TO REPORTING DATE

There are no events subsequent to the reporting date and to the date of this report which will have a material effect on the financial report for the year ended 31 December 2006.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

NOTE 17: 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;

Mr B Anderson	Branch President (Honorary)
Mr B Parker	Branch President (Resigned 1 September 2006)
MR B Campbell	Branch Senior Vice President
Mr R Watson	Branch Junior Vice President
Mrs J Willett	Branch Junior Vice President (AA)
Mr C Smith	Branch Secretary
Mrs E Anderson	Branch Trustee (AA)
Mr G Tory	Branch Trustee
Mr K Miller	Branch Trustee
Mrs S Taalili	Branch Trustee
Mr B Barrakett	Branch Trustee
Mr A Ovington	Committee of Management
Mr B Field	Committee of Management
Mrs C Hampton	Committee of Management (AA)
Mr E Skennerton	Committee of Management
Mrs H Joseph	Committee of Management (AA) (Resigned 8 December 2006)
Mr M Hurst	Committee of Management
Mr M Schuppan	Committee of Management
Mr P Harvey	Committee of Management
Mr D West	Committee of Management
Mrs C Dwyer	Committee of Management (Resigned 21 June 2006)

- (a) The aggregate amount of remuneration paid to elected officials during the financial year for salaries was \$137,643.

The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was \$10,489.

- (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.

NOTE 18: 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 19: SEGMENT REPORTING

The Union operates predominantly in one industry, being the Forestry, Furnishing, Building Products and Manufacturing sector. The business operates predominantly in two geographical area being in New South Wales, and Australian Capital Territory.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006 \$	2005 \$
NOTE 20: CASH FLOW INFORMATION		
a. Reconciliation of Cash		
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on hand	1,300	1,300
Cash at bank	<u>57,829</u>	<u>45,863</u>
	<u>59,129</u>	<u>47,163</u>
b. Reconciliation of Net Cash provided by (used in) Operating Activities to Net Profit		
Net profit	84,054	20,581
Non Cash Items		
Bad debts	-	16,391
Depreciation	18,269	15,753
Provision for impairment of debt	-	(9,488)
Provision for employee entitlements	(14,354)	(152,088)
Unrealised gain on investments	(2,349)	-
Non cash adjustments	-	(16,391)
Changes in Assets and Liabilities		
(Increase)/decrease in receivable	(5,333)	(15,761)
(Increase)/decrease in prepayments	2,562	(1,227)
Increase/(decrease) in unexpended grant income	12,667	2,727
Increase/(decrease) in payables	<u>(115,562)</u>	<u>(69,006)</u>
Cash flows used in operations	<u>(20,046)</u>	<u>(208,509)</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.		
e. Net cash outflows relating to another reporting unit of the organisation are as follows:		
CFMEU – Forest & Forestry Products Division National Office	273,247	138,500
CFMEU – Forest & Forestry Products Division WA Branch	3,956	-
CFMEU – Construction & General Division National Office	6,906	66,143
CFMEU – Construction & General Division – NSW Branch	10,085	1,206
CFMEU – Construction & General Division – SA Branch	451	-
CFMEU – Construction & General Division – WA Branch	<u>3,383</u>	<u>-</u>
	<u>298,028</u>	<u>205,849</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

NOTE 21: FINANCIAL INSTRUMENTS

a. 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:

2006	Note	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturing			TOTAL \$
				Within 1 Year \$	1 to 5 Years \$	Non- interest bearing \$	
Financial Assets							
Cash at bank	5	0.45	31,047	-	-	28,082	59,129
Receivables	6	N/A	-	-	-	237,645	237,645
Financial assets	8	N/A	-	-	-	3,265	3,265
Total Financial Assets			<u>31,047</u>	<u>-</u>	<u>-</u>	<u>268,992</u>	<u>300,039</u>
Financial Liabilities							
Payables	10	N/A	-	-	-	215,912	215,912
Borrowings	11	7.75	-	7,069	51,730	100,000	158,799
Other	13	N/A	-	-	-	42,562	42,562
Total Financial Liabilities			<u>-</u>	<u>7,069</u>	<u>51,730</u>	<u>358,474</u>	<u>417,273</u>
Net Financial Assets/ (Liabilities)			<u>31,047</u>	<u>(7,069)</u>	<u>(51,730)</u>	<u>(89,482)</u>	<u>(117,234)</u>

2005	Note	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturing			TOTAL \$
				Within 1 Year \$	1 to 5 Years \$	Non- interest bearing \$	
Financial Assets							
Cash at bank	5	1.00	42,550	-	-	4,613	47,163
Receivables	6	N/A	-	-	-	232,312	232,312
Financial assets	8	5.50	41,936	-	-	916	42,852
Total Financial Assets			<u>84,486</u>	<u>-</u>	<u>-</u>	<u>237,841</u>	<u>322,327</u>
Financial Liabilities							
Payables	10	N/A	-	-	-	331,473	331,473
Borrowings	11	7.00	-	7,063	54,381	100,000	161,444
Other	13	N/A	-	-	-	29,895	29,895
Total Financial Liabilities			<u>-</u>	<u>7,063</u>	<u>54,381</u>	<u>461,368</u>	<u>522,812</u>
Net Financial Assets/(Liabilities)			<u>84,486</u>	<u>(7,063)</u>	<u>(54,381)</u>	<u>(223,527)</u>	<u>(200,485)</u>

b. 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 of those assets, net of any provisions for impairment of debts, 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 debtor or group of debtors under financial instruments entered into by the Union.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

NOTE 21: 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 22: ENTITY DETAILS

The registered office is:
Ground Floor
11 George Street
PARRAMATTA NSW 2124

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
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COMMITTEE OF MANAGEMENT CERTIFICATE

On 5 June 2007 the Committee of Management of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – New South Wales Divisional Branch ("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 2006:

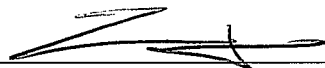
The Committee of Management declares in relation to the GPFR that in its opinion:

- (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; and
- (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 organization 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 organization 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 organization 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 organization; 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 of Registrar; and
 - (vi) there has been compliance with any order for inspection of financial reports made by the Commission under section 273 of the RAO Schedule.

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COMMITTEE OF MANAGEMENT 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 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 unit distributions of recovered money were made to the workers.



C Smith – Branch Secretary



B Barrakett – Branch Trustee

Sydney: 5 June 2007

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION – NEW SOUTH WALES DIVISIONAL BRANCH

Scope

The financial report and committee's responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of receipts and payments for recovery of wages activity, accompanying notes to the financial statements, and committee of management certificate of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – New South Wales Divisional Branch (Reporting Unit) for the year ended 31 December 2006.

The reporting unit's committee of management is responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act 1996 and Accounting Standards. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the reporting unit. Our audit was conducted in accordance with Australian Auditing Standards and Workplace Relations Act 1996, in order to provide reasonable assurance as to whether the financial report is free of material misstatement and whether it properly and fairly reports all information in relation to recovery of wages activity. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Workplace Relations Act 1996, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the reporting unit's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

INDEPENDENT AUDITOR'S REPORT continued

**TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
NEW SOUTH WALES DIVISIONAL BRANCH**

Audit Opinion

In our opinion, the financial report of the Reporting Unit:

- (a) presents a true and fair view in accordance with the provisions of the Workplace Relations Act 1996, other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the RAO Schedule, Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Reporting Unit as at 31 December 2006 and the results of its operations and its cash flows for the year then ended.
- (b) properly and fairly report all information in relation to recovery of wages activity required by the reporting guidelines of the Industrial Registrar, 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 RaggWeir

MSI RAGG WEIR
Chartered Accountants

L S Wong

L S WONG CA
Partner

Melbourne: 7 June 2007



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 Craig Smith
Branch Secretary, NSW FFPD Divisional Branch
Construction, Forestry, Mining and Energy Union
PO Box 207 PBC
PARRAMATTA NSW 2124

Dear Mr Smith

**Re: Financial Statements – FFPD Division, NSW Branch – for year ending 31
December 2006 (FR2006/569)**

Thank you for lodging the abovementioned financial documents which were received on 8 October 2007.

As the legislative requirements for the above financial return appear to have been met, the financial statements have been filed.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'S Kellett'.

Stephen Kellett
for Deputy Industrial Registrar

15 October 2007